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ABSTRACT

This is the tenth in the series of Southern Regional Education Board reports on tax performance and tax effort of the states and their subdivisions. Three tasks are involved in preparing the statistics for the report. First, state and local tax collections are gathered by source and by state as reported by the Governments Division of the U.S. Bureau of the Census. Second, collections are measured against average rates of collection and potential collections are computed. Third, potential and actual collections are compared in order to determine the extent to which states are overutilizing or underutilizing the relative ability to collect taxes. These three sets of data are presented in tables 1-12 and further analyzed in tables 13-38. Additional tables present summaries, compensate for inflation, present tax rate data for major taxes, and present a summary of legalized gambling. Legislative activity in taxation during 1976 is also discussed. (Author/IRT)

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HIGHLIGHTS

The major body of information contained in these annual reports focuses on the state and local revenue potential of each state. The statistical calculations are achieved in three steps:

(a) An average rate is computed for each tax; only states using the particular tax are included in figuring the average rate. (b) The average rate for each particular tax is multiplied by the proxy base (such as personal income) for each state in order to compute a potential tax collection amount. (c) Actual tax collections are then subtracted from potential collections in order to determine underutilized amounts; if actual collections are greater than potential collections, no underutilization exists.

1. In 1976 the SREB states utilized 80.9 percent of revenue potentials, as defined by average utilization in the nation, compared with 105.3 percent in New England, 111.9 percent in the Middle Atlantic states, 89.3 percent in the North Central states, 90.2 percent in the Mountain states and 111.2 percent in the Pacific states (see Table 21).

2. On taxes utilized in excess of the average utilization, the SREB states collected \$3,880,000,000 above the yield collectible at the average rate in 1976; on taxes underutilized by the same yardstick, the SREB states collected \$12,688,000,000 below the yield collectible; net unutilized potential in the SREB states equaled \$8,809,000,000 (see Table 23).

3. The five taxes most underutilized by the SREB states in 1976 were general property taxes, \$5,183,000,000; individual income taxes, \$4,467,000,000; corporate income taxes, \$855,000,000; general sales and gross receipts taxes, \$724,000,000, and selective sales and gross receipts taxes, \$541,000,000 (see Table 12).

4. Paralleling the improvement in the economy after the recession of 1974 and 1975, state and local revenues grew rapidly in 1976. In most tax categories, revenues increased at a faster rate in 1976 than in 1975, thereby reducing the necessity for major rate or base adjustments.

5. In 1976 the "tax burden" of individual states (state and local taxes as a percentage of personal income, divided by per capita personal income) ranged from Mississippi's rank of second heaviest in the nation to Florida's rank of 44th, with other SREB states falling between in the following descending order: Louisiana, West Virginia, South Carolina, Kentucky, North Carolina, Alabama, Georgia, Tennessee, Arkansas, Maryland, Virginia and Texas (see Table 19).

STATE AND LOCAL REVENUE POTENTIAL
1976

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FOREWORD

With this publication, the Southern Regional Education Board provides the tenth consecutive annual report on how each state's utilization of each tax compares with average utilization of similar taxes in all other states. While the authors have applied the same basic analysis throughout the series, they have displayed the information in a variety of ways, adding significant innovations in presentation from time to time.

Users have responded by selecting information in the form which best fits their needs and preferences. Thus a reader interested in Alabama might begin his inquiry by turning to Table 21, which shows that Alabama utilizes 73.7 percent of its tax capacity, compared with 80.9 percent utilization by the average Southern state and 95.4 percent utilization by all states. Another Alabama reader might prefer to begin with Table 24, which provides a profile of all taxes in the state of Alabama, showing the dollar amounts according to which each tax is underutilized or overutilized and a bottom line of \$615 million of "net underutilization." A third reader might already be aware of Alabama's general pattern of tax utilization and would turn directly to Table 12, where he can compare the extent to which underutilization of each specific tax differs between Alabama and other states. Other readers are interested in regional, rather than state comparisons--and so on.

This series focuses on state and local taxes, with an ultimate view toward dealing with problems in provision of financial support for public postsecondary education. Readers also will find it to be an overall reference on recent developments in tax legislation and trends in patterns of public revenue as well as a source for comparative analysis of state tax structures. Comments on application of the data and suggestions for future editions are welcomed.

Winfred L. Godwin
President

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STATE AND LOCAL REVENUE POTENTIALS, 1976

INTRODUCTION

This is the tenth in the series of Southern Regional Education Board (SREB) reports on tax performance and tax efforts of the states and their subdivisions. The initial analysis was made by Professor James W. Martin in 1957 for the then sixteen Southern Regional Education Board states. The survey was expanded to include all states beginning with the 1967 report.¹ The methodology developed by Professor Martin has remained substantially unchanged.

Three tasks are involved in preparing the statistics for the report. First, state and local tax collections are gathered by source and by state as reported by the Governments Division of the U.S. Bureau of the Census. Second, collections are measured against average rates of collection and potential collections are computed. Third, potential and actual collections are compared in order to determine the extent to which states are overutilizing or underutilizing the relative ability to collect taxes. These three sets of data are presented in Tables 1-12 and further analyzed in Tables 13 through 38. The computation and analyses are based on actual collections for the fiscal year 1976. Data on collections do not, of course, reflect

1. However, an earlier report for 1961 including all states was prepared by Professor Martin. James W. Martin, Revenue Potentials of the States (Washington: National Education Association, 1964).

legislative tax activity becoming effective after the end of the fiscal year. Moreover, legislative activities taking effect during the fiscal year do not reflect a full year's effort.

The report's value lies in its wealth of basic data on collection patterns and efforts and the methods by which public officials can evaluate their taxes and tax systems and the potential to alter tax collections and tax burdens. While actual performance is measured for each tax against national averages, it is not the intent to suggest that a state should achieve the national average or that it should restructure its tax system. Different economic, political and social forces in the individual states require different emphasis on particular taxes and even on tax levels in general.

Paralleling the improvement in the economy after the recession of 1974 and 1975, state and local tax revenues grew rapidly in 1976. In most tax categories, revenues increased at a faster rate in 1976 than in 1975, thereby reducing the necessity for major rate or base adjustments. Five states increased personal income tax rates and five, the general sales tax rates, but the majority of tax legislation took the form of new or expanded exemptions and deductions. Especially noteworthy were the efforts of many states to encourage conservation through tax policy. Nearly every state now provides both individuals and businesses with some tax relief for installing solar heating or for developing methods of conserving energy. Although these exemptions are individually and collectively of negligible revenue effect, they may have major influence on conservation.

During 1977, there have been even fewer major rate or base changes. Only two states have raised general sales tax rates and four, individual income tax rates. Several states now report the expectation of substantial budget surpluses as a result of the improved economic situation (including the inflationary effect on tax revenues) and the higher rates imposed in 1976. Local governments appear to be in a less favorable position.

The three notable exceptions to this trend were (1) the passage of the Casino Gambling Act in New Jersey, which legalized gambling in Atlantic City, (2) the states' increased use of severance taxation, and (3) the need for higher motor vehicle related taxes as the growth rate in these taxes slowed down appreciably. This last exception arises because motor vehicle related taxes are usually the primary and almost only source of funds for highway and street construction and maintenance.

METHODOLOGY

This report is a tax effort and not a burden study because it measures the extent to which the states and their subdivisions tap their available taxable resources. No attempt is made to measure the absolute or relative burden placed on individual taxpayers or classes of taxpayers as is done in a burden study.

To facilitate the understanding of the methodology, several basic terms used throughout the study should be defined.

(1) Taxes are revenue sources such as sales and property taxes and license fees, as defined by the U.S. Bureau of the Census. The tax system is the aggregate of all taxes used in a state.

(2) Tax collections represent the actual yields of a tax or the tax system.

(3) Potential collections represent the yield that would be achieved in a state from any given tax by applying a tax rate equal to the national average to the relevant tax base in the state. Addition of potential collections for the various taxes produces the state's aggregate potential yield for all taxes. Potential collections indirectly represent the tax base or relative ability of a state to collect revenue. Collections, when compared to potential collections, represent the effort the state is actually making in utilizing its available taxable resources.

(4) When potential collections for any given tax within a state exceed tax collections, the difference is the underutilized potential for that tax. (Unutilized and underutilized potential are used interchangeably in this report.) When potential tax collections are less than actual tax collections, the difference represents the overutilization of a tax, relative to the national average for that tax.

An overutilized tax, according to this methodology, does not imply that the state is inhibiting economic growth, or excessively burdening its citizens. Similarly, a state underutilizing its tax base may have sufficient funds to provide required public services. Differences in

tax effort depend on the state of the economy and the desires and needs of the citizens.

(5) The remainder, if any, when overutilization of a given tax(es) within a state is subtracted from underutilization for any other tax(es) produces the state's net unutilized capacity, for its entire tax structure. (A negative net "unutilized capacity" signifies net overutilization.)

(6) The net unutilized capacity, when added to a state's actual tax collections, constitutes the tax capacity.

The statistical calculations consist of the following steps:

(1) An average rate based on a readily available and representative base is computed for each of 14 major taxes. Only states using the particular tax are included in figuring the base.²

(2) The average rate for each particular tax is multiplied by the proxy base for each state in order to compute the potential tax collection.

(3) Actual collections (or effort) are then subtracted from potential collections (or ability) in order to determine the performance level. If actual collections exceed potential collections, overutilization exists. If potential collections exceed actual collections underutilization exists.

2. Thus the rate is equal to the aggregate collections divided by the aggregate representative base for all states using each tax. If a particular state does not use a tax it is eliminated in computing the average rate.

(4) For each state the overutilized potential tax(es) is subtracted from the unutilized potential for any other tax(es) to yield a remaining net unutilized potential. If the remainder is positive, the state has net excess ability that it has not tapped. If the remainder is negative, the state has tapped its resources to a greater extent than would hold on the basis of average effort in the nation.

(5) The net unutilized potential is added to the state's actual tax collections to yield a state's tax capacity.

The basic collection data used in preparing the comparisons are standardized by using the classification of taxes developed by the U. S. Bureau of the Census.³ Personal income is the representative base measure (or proxy base) for computing potential collections for most taxes. The average rate is expressed in tax dollars per \$1,000 personal income.⁴ The average rate is applied in each state against the state's personal income to compute potential collections.

3. State tax collections are reported by the Bureau of the Census by state and by source. Local property taxes, income taxes and general sales taxes are reported by state. Other local taxes are reported by source but not by state. These taxes are allocated to states with the help of sample data supplied by the Bureau of the Census.

4. Personal income is not in all cases the best proxy for determining property and corporation tax potentials. It performs ideally only if a state is fairly well-balanced between farming and the commercial and industrial activities. Regions heavy in farming tend to have their potential for property tax collections increased and regions heavy in manufacturing, to have theirs decreased if farm income, nonfarm income and dollars of taxes per manufacturing employee are given equal weight. By this measure the potential in the New England, Middle Atlantic and the Pacific regions would be reduced (compared with using personal income alone) and the North Central region's potential would be increased. No significant change would occur in the SREB and the Mountain regions.

An alternative proxy base is used in several cases. The value of natural resources severed from the land and waters of a state is a better indicator of severance tax potential. The number of motor vehicles registered seems more appropriate as a measure of ability to collect motor fuel and license taxes. Average rates for these taxes are expressed as dollars of taxes per \$1,000 of severed value and as dollars of taxes per registered vehicle, respectively.

The practice of considering the net profits of public-owned utilities and net contributions of state-owned liquor stores as taxes is continued in this report. These potential contributions to general funds of state and local governments are assumed to be in lieu of taxes usually imposed on similar private enterprises. The net profits or contributions are included in the public utility and alcoholic beverage taxes, respectively.

Personal income for this report and the 1975 report is fiscal year data--that in earlier reports was calendar year income.⁵ These earlier year data have been revised in a separate report.⁶ This report should be used if longitudinal comparisons are desired.

5. Kenneth E. Quindry, State and Local Revenue Potential, 1975 (Atlanta: Southern Regional Education Board, 1976).

6. Kenneth E. Quindry, William A. Perry and Irma Perry, Taxes and Higher Education: A Look at Actual and Potential Revenues, 1961-1974 (Atlanta: Southern Regional Education Board, 1976).

In this, as in earlier reports, it is assumed that there are no constitutional, social or statutory constraints on taxing authority, though they do in fact, influence tax collections. In some jurisdictions, political or social policy decisions have eliminated or limited a tax source in spite of its administrative and economic feasibility and its availability. It is assumed that all economic activities and all economic wealth taxed in some states can be taxed in every state.

SOURCES OF DATA

The basic tax collection, population and personal income data used in this report were supplied by the U. S. Bureau of the Census. State tax collections were published in State Government Finance in 1976, GF 76 No. 3. Local property, income and general sales taxes were published for each state and the District of Columbia in Government Finances in 1975-76, GF 76 No. 5. Other local taxes were also published in that volume in aggregate and allocated to states by using unpublished sample data supplied by the Bureau.

Personal income and population estimates were taken from the Bureau's Survey of Current Business, April 1977 and Current Population Reports, Series P-25 No. 642, respectively.

Finally, the number of motor vehicle registrations was provided by the U. S. Federal Highway Administration and the value of severed products was provided by the U. S. Department of Commerce (fishery statistics), the Department of Agriculture (forestry products), and the Department of the Interior (minerals).

THE STATISTICAL TABLES

The primary data upon which the comments to follow are based can be found in Tables 1-12. These tables are followed by 25 analytical tables (Tables 13-38) and eight summary tables in the text (Tables A-H). In Tables I, J and K, the influence of inflation is removed from the current statistics by the use of the state-local price deflator provided by the U. S. Department of Commerce. Four additional tables (Tables L-O) present tax rate data for major taxes. Table P presents a summary of legalized gambling in the United States. The tables generally follow the same format as presented in the 1975 report.

State and local taxes are compared in terms of both personal income and population because both are popularly used to compare and measure tax effort of governmental jurisdictions. Income is perhaps the better measure because most taxes must ultimately be paid out of current income and personal income has a measurable relationship to most tax bases. The ability to pay taxes depends primarily on income. Tables 13 through 17 list collections and underutilized (or unutilized) potential per capita and per \$1,000 of personal income for six geographical regions and for the SREB states.

Tax effort is also influenced by the dependence on taxes from regressive sources. Table 18 lists the percentage of taxes by major sources. Some states depend heavily on regressive sales and property taxes, others on taxes based on income. Taxes based on income are generally considered to be less of a burden on a population since they are generally progressive while taxes based on sales and property are generally regressive.⁷

The average level and the distribution of personal income, as well as the total, influence tax potential and the level of effort a population is willing to extend. Table 19 (column 1) reflects an effort ranking which borders on an aggregate burden ranking. In simple terms, the ranking shows that a tax effort equal to 10 percent of personal income is a greater burden if average income is low rather than high. Data in Table 20 are also important in measuring the distribution of taxpaying capacity.

Finally, tax effort is influenced by the dependence a jurisdiction places on tax revenues and on federal grants-in-aid and shared taxes. The states' experience in these areas is listed in columns 2 and 3 of Table 19. These data may help to explain state differences in tax efforts. Data in Table 21 show the net over- or underutilized potential for all states and the District of Columbia (column 2). Also presented in this table are the percent of tax capacity utilized and the utilized

7. A tax is progressive if the percentage of income paid in taxes increases as income increases. It is regressive if the tax liability as a percentage of income increases as taxpayer income declines.

and unutilized capacity in terms of per capita and per \$1,000 of personal income.

Tables 23 through 37 list both the over- and the underutilization of taxes by source for the SREB states. These tables permit the states to evaluate the net over- or underutilization of their tax systems. It may be more difficult to justify a tax increase in states in which net overutilization of the tax system is evident, especially if a large share of the increased tax burden can be expected to fall on the low income taxpayer (increasing a regressive tax or a distribution of income skewed toward the lower end of the income scale). Finally, Table 38 lists the national average tax rates for each of the 15 major taxes.

SOME GUIDES IN UTILIZING THE REPORT

The diverse geographic and economic character of the United States provides for nonuniform tax bases among the states. For example, a few states with extensive mineral resources, fisheries and forests can use severance taxes productively; others, poor in these respects, cannot. A few states can tax the tourist industry profitably (California, Florida and Nevada, especially) because of particular climatic, social and topographical characteristics.

Other factors accounting for variety among state tax structures are differences in the reluctance of the population to participate in certain activities (e.g. the indisposition to consume alcoholic beverages or to participate in gambling activities) or of the public

officials to tax such activities. Such differences, however, are crumbling in the face of the revenue needs. Nevada has long exploited its gambling industry. With the adoption of state lotteries in Illinois and Delaware in 1974 and Vermont in 1977, 14 states now employ lottery or gambling taxes. Horse racing is legalized in 31 states, dog racing in 11, and jai alai in five.

Finally, some states are able to levy taxes on industries that "export" a major portion of their products and thus "export" their tax in higher prices. No attempt has been made in this study to measure the tax relief given to resident taxpayers because of "exported" taxes nor to measure the tax burden placed on a state's residents because of "importing" other states' levies.

The study does not mean to imply that each state should maintain its current level of taxation from sources that it is overutilizing and still increase collections from sources that it is underutilizing or that it should introduce taxes not now being used. Taxpayers paying high taxes of one type (e.g. consumption) would have their capacity to pay other taxes (e.g. income or property) seriously impaired. A review of net over- or underutilization is perhaps appropriate.

AN OVERVIEW, 1967 TO 1976

From 1967 to 1976 state and local tax collections increased from \$61.5 billion to \$158.4 billion. In current dollar terms this is a 157.4 percent increase (Table A). By far the fastest growing tax sources were the income taxes. In second place were the general sales taxes,

TABLE A
STATE AND LOCAL TAX COLLECTIONS,
SELECTED YEARS, 1967 - 1976,
BY MAJOR TAX SOURCE AND TOTAL
(In Millions)

Year	General Sales and Gross Receipts Taxes	Selective Sales and Gross Receipts Taxes	General Property Taxes	Income Taxes		Motor Fuels Taxes	Motor Vehicle License Taxes	Total Taxes
				Individual	Corporation			
1967	\$10,104	\$ 5,341	\$26,186	\$ 5,775	\$2,227	\$4,856	\$2,299	\$ 61,532
1970*	16,078	8,866	34,083	10,795	3,756	6,318	2,904	88,351
1972	20,292	10,971	42,132	15,234	4,401	7,272	3,334	110,392
1974	26,314	12,638	47,759	19,491**	6,015**	8,278	3,755	132,500
1975	29,101	13,263	51,496	21,454**	6,642**	8,324	3,957	143,009
1976	32,044	14,664	57,002	24,545	7,273	8,728	4,366	158,404
Percentage Growth								
1967 - 1976	217.1	174.6	117.7	325.0	226.6	79.7	89.9	157.4
1974 - 1975	10.6	4.9	7.8	10.1	10.4	0.6	5.4	7.9
1975 - 1976	10.1	10.6	10.7	14.4	9.5	4.9	10.3	10.8

* The District of Columbia statistics on tax collections are included from 1970. Prior to 1970 nonallocable selective sales and gross receipts taxes were entered as "other and unallocable taxes"; in 1970 and after, as "other selective sales and gross receipts taxes."

** The District of Columbia corporation net income tax is included in the individual tax column.

SOURCE: Kenneth E. Quindry, State and Local Revenue Potential, 1975, Table A and Table 21

followed by the selective sales taxes, the property taxes and the motor vehicle related taxes in that order. Growth rates are influenced both by the natural responsiveness to economic growth and by legislative actions. By their growth rate differences, the income and general sales taxes tend to become larger in relation to total taxes. Thus the state-local tax structure is becoming more responsive to economic growth. The process of change has been rather slow and not consistent among the states.

Growth rates between 1975 and 1976 exceeded those of the 1974-75 period for every category except the general sales taxes. Total tax collections were up 10.8 percent and 7.9 percent respectively in 1976 and 1975.

Paralleling the growth in collections was an increase in underutilization (Table B). It increased from \$13.1 billion in 1967 to \$30.9 billion in 1976. Unutilized potential in the income taxes and property taxes made up 65 percent of the total and the sales taxes, 25 percent. The growth rate of underutilization exceeded that of tax collections for all taxes except general sales and motor fuels taxes. In 1976, motor fuels taxes registered a decline in underutilization, indicating more uniformity in motor fuel tax rates. For other sources the potential to collect taxes (ability) grew more rapidly than collections and underutilization increased.

COLLECTIONS AND UNDERUTILIZED POTENTIAL, 1975 AND 1976

In 1976, state and local tax collections grew by 10.8 percent and underutilization by 13.4 percent, indicating that tax growth lags growth

TABLE B
STATE AND LOCAL UNDERUTILIZED TAX POTENTIAL,
SELECTED YEARS, 1967 - 1976,
BY MAJOR TAX SOURCE AND TOTAL
(In Thousands)

Year	General Sales and Gross Receipts Taxes	Selective Sales and Gross Receipts Taxes	General Property Taxes	Income Taxes		Motor Fuels Taxes	Motor Vehicle License Taxes	Total Taxes
				Individual	Corporation			
1967	\$2,041,998	\$1,295,774	\$3,027,835	\$4,075,571	\$1,319,053	\$268,895	\$309,764	\$13,127,422
1970	2,078,142	1,945,648	3,988,579	4,951,891	1,439,373	272,390	361,066	15,902,156
1972	2,529,568	2,318,023	5,583,114	5,962,402	1,271,461	369,163	425,981	19,491,136
1974	3,447,706	2,716,636	6,670,924	7,351,612	1,512,335	525,001	486,260	24,113,165
1975	4,123,191	2,943,327	7,167,426	8,597,022	1,727,083	541,624	486,713	27,236,505
1976	4,524,794	3,288,730	8,429,250	9,960,085	1,874,781	515,865	529,540	30,887,736
Percentage Growth								
1967 - 1976	121.6	153.8	178.39	144.4	42.1	47.9	70.9	135.3
1974 - 1975	19.6	8.3	7.4	16.9	14.2	3.2	0.1	13.0
1975 - 1976	9.7	11.7	17.6	15.9	8.6	-4.8	8.8	13.4

NOTE: Columns may not add to total due to rounding.

SOURCE: Quindry, op. cit., Table B and Table 12 of this report.

in potential during a rapid economic upturn (measured in current dollar-terms). However, there was considerable variation among regions in the rates of growth, brought about mainly because of the varying rates of economic growth. Tax collections are more immediately related to economic growth than are expenditure needs. The rates of collection growth were greatest in the Mountain and Pacific regions and least in the North Central and Middle Atlantic regions (Table C). Underutilization increases were greater in the North Central and the SREB regions.

Tax collections grew more rapidly than underutilized potential in the Western states and in New England and less rapidly in the remaining regions. By this it can be seen that effort related to the proxy bases increased in the Western states and, more especially, in the New England states while it declined in the SREB and North Central regions. In 1976 the SREB and the North Central regions accounted for 65 percent of underutilized potential and 49 percent of tax collections. As in the past, the Eastern and Western states continued to use their tax ability to a much greater extent than did the Southern and Midwestern regions.

Tables D through H provide data on regional variations in collections and underutilization for five major taxes for 1975 and 1976. For the New England region tax collections increased at a faster rate than underutilization for every tax category. In the SREB region underutilization increased at a faster rate than collections in every category. Percentage growth in underutilization for the income taxes and the general sales tax were especially significant, though the amount involved in general sales taxation was small. In every case, growth in underutili-

TABLE C
TAX COLLECTIONS AND UNDERUTILIZED POTENTIAL,
BY REGION, 1975 AND 1976,
WITH PERCENTAGE CHANGE
(Amounts in Millions)

Region	Tax Collections		Percentage Change	Underutilized Potential		
	1975	1976		1975	1976	Percentage Change
New England States	\$ 8,893	\$ 9,906	11.4	\$ 1,819	\$ 1,755	- 3.5
Middle Atlantic States	31,894	35,660	9.9	3,576	3,947	10.4
North Central States	37,201	40,265	8.2	6,133	7,244	18.1
SREB States	33,669	37,329	11.1	10,902	12,699	16.5
Mountain States	7,389	8,480	14.8	1,792	1,970	9.9
Pacific States	23,419	26,736	14.2	2,849	3,083	8.2
District of Columbia	544	626	15.1	164	190	15.9
TOTAL	\$143,009	\$158,404	10.8	\$27,237	\$30,888	13.4

NOTE: Columns may not add to totals because of rounding.

SOURCE: Kenneth E. Quindry, State and Local Revenue Potential, 1975, Table C and Table 12 and 22 of this report.

TABLE D

STATE AND LOCAL GENERAL SALES TAXES, COLLECTIONS AND
 UNDERUTILIZED POTENTIALS, BY REGION, 1975 AND 1976,
 WITH PERCENTAGE CHANGE
 (Amounts in Millions)

Region	Tax Collections			Underutilized Potential		
	1975	1976	Percentage Change	1975	1976	Percentage Change
New England States	\$ 946	\$ 1,181	24.8	\$ 851	\$ 748	-12.1
Middle Atlantic States	5,516	5,938	7.7	886	952	7.4
North Central States	7,204	7,801	8.3	1,243	1,449	16.6
SREB States	8,127	9,007	10.8	585	724	23.8
Mountain States	1,827	2,035	11.4	186	216	16.1
Pacific States	5,367	5,963	11.1	354	409	15.5
District of Columbia	114	117	2.6	19	27	42.1
TOTAL	\$29,101	\$32,044	10.1	\$4,123	\$4,525	9.8

NOTE: Columns may not add to totals because of rounding.

Source: Quindry, op. cit., Table D; and Table 1 of this report.

TABLE E
STATE AND LOCAL SELECTIVE SALES TAXES, COLLECTIONS AND
UNDERUTILIZED POTENTIALS, BY REGION, 1975 AND 1976,
WITH PERCENTAGE CHANGE
(Amounts in Millions)

Region	Tax Collections		Percentage Change	Underutilized Potential		
	1975	1976		1975	1976	Percentage Change
New England States	\$ 797	\$ 969	21.6	\$ 202	\$ 219	8.4
Middle Atlantic States	2,680	2,899	8.2	304	331	8.9
North Central States	2,985	3,247	8.8	1,073	1,195	11.4
SREB States	4,582	5,052	10.3	485	541	11.5
Mountain States	731	805	10.1	138	181	31.2
Pacific States	1,420	1,611	13.5	724	806	11.3
District of Columbia	66	83	25.8	16	15	- 6.3
TOTAL	\$13,262	\$14,664	10.6	\$2,943	\$3,289	11.8

NOTE: Columns may not add to totals because of rounding.

SOURCE: Quindry, op. cit., Table E and Table 2 of this report.

TABLE F

STATE AND LOCAL PROPERTY TAXES, COLLECTIONS AND
 UNDERUTILIZED POTENTIALS, BY REGION, 1975 AND 1976,
 WITH PERCENTAGE CHANGE
 (Amounts in Millions)

Region	Tax Collections		Percentage Change	Underutilized Potential		
	1975	1976		1975	1976	Percentage Change
New England States	\$ 4,491	\$ 4,674	4.1	--	--	--
Middle Atlantic States	11,705	12,881	10.0	\$1,041	\$1,184	13.7
North Central States	14,305	15,257	6.7	709	1,151	62.3
SREB States	9,005	10,186	13.1	4,579	5,183	13.2
Mountain States	2,285	2,739	19.9	517	547	5.8
Pacific States	9,564	11,118	16.2	233	260	11.6
District of Columbia	141	147	1.4	88	104	18.2
TOTAL	\$51,496	\$57,002	10.7	\$7,167	\$8,429	17.6

NOTE: Columns may not add to totals because of rounding.

SOURCE: Quindry, op. cit., Table F and Table 4 of this report.

TABLE G

STATE AND LOCAL INDIVIDUAL INCOME TAXES, COLLECTIONS AND
 UNDERUTILIZED POTENTIALS, BY REGION, 1975 AND 1976,
 WITH PERCENTAGE CHANGE
 (Amounts in Millions)

Region	Tax Collections		Percentage Change	Underutilized Potential		
	1975	1976		1975	1976	Percentage Change
New England States	\$ 1,187	\$ 1,477	24.4	\$ 626	\$ 670	6.7
Middle Atlantic States	6,099	6,917	13.4	1,052	1,235	17.4
North Central States	6,245	6,922	10.8	1,779	2,082	17.0
SREB States	3,671	4,179	13.8	3,738	4,484	20.0
Mountain States	942	1,079	14.5	451	549	21.7
Pacific States	3,139	3,761	19.8	950	939	- 1.1
District of Columbia	171*	210*	22.8	32*	--	--
TOTAL	\$21,454*	\$24,545*	14.4	\$ 8,628*	\$9,960	15.4

NOTE: Columns may not add to totals because of rounding.

*Includes corporation net income tax for the District of Columbia.

SOURCE: Quindry, op. cit., Table G and Table 5 of this report.

TABLE H

STATE AND LOCAL CORPORATION INCOME TAXES, COLLECTIONS AND
 UNDERUTILIZED POTENTIALS, BY REGION, 1975 AND 1976,
 WITH PERCENTAGE CHANGE
 (Amounts in Millions)

Region	Tax Collections		Percentage Change	Underutilized Potential		
	1975	1976		1975	1976	Percentage Change
New England States	\$ 502	\$ 575	14.5	\$ 13	\$ 5	-61.5
Middle Atlantic States	1,789	2,001	11.9	87	79	- 9.2
North Central States	1,477	1,689	14.4	607	589	- 3.0
SREB States	1,245	1,319	5.9	716	849	18.6
Mountain States	237	272	14.8	145	159	9.7
Pacific States	1,392	1,417	1.8	128	158	23.4
District of Columbia		*	--	*	*	--
TOTAL	\$6		9.5	\$1,696	\$ 1,875	10.5

NOTE: Columns may not add to totals because of rounding.

*District of Columbia data included in individual income taxes in Table G.

SOURCE: Quindry, op. cit., Table H and Table 5 of this report.

zation should be compared with growth in collections. Regional differences in tax increases influence differences in underutilization.

For the general sales taxes collections grew at a slower rate than underutilization in one region (New England); for the selective sales taxes, in two regions (New England and Pacific regions); for the property taxes, three regions (New England, Mountain and Pacific regions); for the individual income taxes, in two regions (the New England and the Pacific regions); and for the corporation income taxes, in five regions (the New England, the Middle Atlantic, the North Central, the Mountain and the Pacific regions).

In summary the tax effort in the New England and Middle Atlantic regions remains the highest in the nation, largely because the growth in ability was somewhat laggard in relation to the other regions. Thus the amount of net overutilization reported in Table 21 increased over the amount reported in the 1975 report. The Pacific region also increased its net overutilization in 1976 while the remaining three regions increased their net underutilization. Table 19 data indicate that the three regions overutilizing their ability have tax collections as a percentage of income substantially above the national average of 12.0 percent. The least tax effort in relation to this measure was found in the SREB region, closely followed by the North Central region.

THE PURCHASING POWER OF STATE AND LOCAL TAXES AND POTENTIALS

Increases in the tax categories discussed above contain a large amount of inflation. To get a true picture of the growth in the ability

of states and local governments to furnish public goods and services, this inflation must be removed. The growth rate is a modest 15 percent in real terms in contrast to a 79 percent growth in current dollars from 1970 to 1976. These real figures indicate that some progress has been made in increasing the public supply of goods and services even above the growth in population, but not much. There were actual losses (in real terms) in tax collections from 1972 to 1975, but some increase is evident in 1976 (Table I).

The same pattern occurs with potential collections which grew by 16 percent from 1970 to 1976, but declined in the interim period, 1972 to 1975 (Table J). Underutilization continued to grow throughout the period, from \$18.0 billion to \$22.4 billion in real dollars (24.4 percent). See Table K.

LEGISLATIVE ACTIVITY IN TAXATION, 1976

It must be kept in mind in reviewing the statistics that legislative actions to alter tax collections taken in calendar year 1976 would have only minimal effect on collections in fiscal 1976. Calendar year 1976 tax changes should be fully effective in fiscal 1977, and substantial changes will influence state tax performances in future years.

A brief, though somewhat incomplete, review of significant tax actions that may influence 1977 and later year statistics is given below. No attempt is made to detail numerous tax adjustments which are not of a significant revenue impact.

TABLE I
TOTAL STATE AND LOCAL TAX COLLECTIONS, CURRENT AND
CONSTANT (1972) DOLLARS, SELECTED YEARS,
1970-1975
(In Thousands)

<u>Year</u>	<u>Current</u>	<u>Constant</u>	<u>Deflator</u>
1970	\$ 88,351,072	\$100,057,839	88.3
1972	110,392,160	110,392,160	100.0
1974	132,500,368	111,344,847	119.0
1975	143,009,333	110,176,682	129.8
1976	158,403,674	115,035,340	137.7

SOURCE: Quindry, op. cit., Table J and Table 22 of this report. Deflator from the Survey of Current Business.

TABLE J

STATE AND LOCAL POTENTIAL TAX COLLECTIONS,
CURRENT AND CONSTANT (1972) DOLLARS,
SELECTED YEARS, 1970-1975
(In Thousands)

<u>Year</u>	<u>Current</u>	<u>Constant</u>	<u>Deflator</u>
1970	\$ 91,902,944	\$104,080,344	88.3
1972	114,788,480	114,788,480	100.0
1974	137,619,712	115,648,817	119.0
1975	149,976,957	115,544,651	129.8
1976	166,175,035	120,679,030	137.7

SOURCE: Quindry, op. cit., Table K and Table 12 of this report. Deflator from the Survey of Current Business.

TABLE K
STATE AND LOCAL UNDERUTILIZED POTENTIAL TAX COLLECTIONS,
CURRENT AND CONSTANT (1972) DOLLARS,
SELECTED YEARS, 1970-1975
(In Thousands)

<u>Year</u>	<u>Current</u>	<u>Deflated</u>	<u>Deflator</u>
1970	\$ 15,902,156	\$ 18,009,237	88.3
1972	19,491,136	19,491,136	100.0
1974	24,113,165	20,263,164	119.0
1975	27,236,505	20,983,440	129.8
1976	30,887,736	22,431,180	137.7

SOURCE: Quindry, *op. cit.*, Table L and Table 12 of this report. Deflator from Survey of Current Business.

General Sales Taxes, 1976

- (1) Missouri, Nebraska, Rhode Island, Tennessee and Washington increased tax rates.
- (2) Connecticut increased tax rates on restaurant meals, hotel rooms and alcoholic beverages.
- (3) Local sales tax rate increases were authorized in Kansas and New Mexico.
- (4) Utah exempted drugs.
- (5) Twenty-eight other states made minor changes in exemptions; most will have a minor impact on revenues. General sales tax rates as of August 1, 1976 and August 1, 1977 are listed in Table L.

Individual Income Taxes, 1976

- (1) Alaska; District of Columbia, Maine and Nebraska increased tax rates while in Utah rates were reduced.
- (2) New Jersey has imposed a personal income tax, the proceeds of which are to go for property tax relief.
- (3) In New York the 2 1/2 percent surtax was extended for one year.
- (4) Increases in tax credits for the elderly, disabled or low income persons were enacted in California, Hawaii, Iowa, Kentucky, New Jersey and Tennessee.
- (5) Indiana exempted all motor fuel taxes paid by individuals.

TABLE I
STATE GENERAL SALES TAX RATES
(In Percent)

Region and State	August 1, 1976	August 1, 1977	Region and State	August 1, 1976	August 1, 1977
New England States					
Connecticut	7.00 ^a	7.00	Georgia ¹	3.00	3.00
Maine	5.00	5.00	Kentucky	5.00	5.00
Massachusetts	5.00	5.00	Louisiana ¹	3.00	3.00
New Hampshire	--	--	Maryland	4.00	5.00
Rhode Island	6.00	6.00	Mississippi	5.00	5.00
Vermont	3.00	3.00	North Carolina ¹	3.00	3.00
Middle Atlantic States			South Carolina	4.00	4.00 ^d
Delaware	--	--	Tennessee ¹	4.50	4.50
New Jersey	5.00	5.00	Texas ¹	4.00	4.00
New York ¹	4.00	4.00	Virginia ¹	3.00	3.00
Pennsylvania ¹	6.00	6.00	West Virginia ¹	3.00	3.00
North Central States			Mountain States		
Illinois ¹	4.00	4.00	Arizona ¹	4.00	4.00
Indiana	4.00	4.00	Colorado ¹	3.00	3.00
Iowa	3.00	3.00	Idaho	3.00	3.00
Kansas ¹	3.00	3.00	Montana	--	--
Michigan	4.00	4.00	Nevada ¹	3.00	3.00
Minnesota ¹	4.00	4.00 ^b	New Mexico	4.00	4.00
Missouri ¹	3.00	3.13	Oklahoma ¹	2.00	2.00
Nebraska ¹	3.00	3.50	Utah ¹	4.00	4.00
North Dakota	4.00	3.00 ^c	Wyoming	3.00	3.00
Ohio ¹	4.00	4.00	Pacific States		
South Dakota ¹	4.00	4.00	Alaska	--	--
Wisconsin ¹	4.00	4.00	California ¹	4.75	4.75
SREB States			Hawaii	4.00	4.00
Alabama ¹	4.00	4.00	Oregon	--	--
Arkansas ¹	3.00	3.00	Washington	4.60	4.60
Florida ¹	4.00	4.00	District of Columbia	5.00	5.00

1. Local taxes are additional in these states.

a. Manufacturing business machinery and certain business services are taxed at 3.50 percent.

b. Retail sales through coin operated machines are taxed at 3 percent.

c. Farm machinery taxed at 2 percent.

d. Rate drops to 3 percent effective July 1, 1978, manufacturing and farm machinery taxed at 1 percent and utilities at 1.5 percent. Sales through coin operated machines are taxed at 1.5 percent, cigarettes at 2.5 percent.

SOURCE: State Tax Guide, Commerce Clearinghouse, Inc.

The effective tax rates as of 1974 are listed in Table M. The above actions, especially in states adjusting rates will have some effect on the burden distribution as well as total collections.

Corporation Income Tax, 1976

- (1) The District of Columbia and Nebraska increased tax rates.
- (2) Tennessee passed a new franchise and excise tax law which changed the manner in which corporations calculate tax liability. The change will not result in an increase or decrease in revenue.

Motor Fuels Taxes were increased in three states: Connecticut, Idaho and Kansas. In addition, Connecticut imposed a one-cent inventory tax on all persons licensed to sell fuel. Gasoline tax rates effective on July 1, 1976 and August 1, 1977 are listed in Table N.

Cigarette Tax rates were raised in the District of Columbia. Rates as of July 1, 1976 and September 1, 1977 are given in Table O.

Other Taxes

- (1) Severance tax rates were increased in Kentucky, Oklahoma and Virginia.
- (2) Twelve states increased exemptions for death and estate taxes.
- (3) Six states increased motor vehicle fees.
- (4) Colorado repealed its franchise tax.
- (5) New Jersey created a new homestead exemption program in conjunction with the passage of the income tax.

TABLE M

EFFECTIVE RATES OF STATE PERSONAL INCOME TAXES FOR SELECTED ADJUSTED
GROSS INCOME LEVELS, MARRIED COUPLE
WITH TWO DEPENDENTS, BY STATE, 1974¹

State	Adjusted Gross Income Class							
	\$2,500	\$3,500	\$5,000	\$7,500	\$10,000	\$17,500	\$25,000	\$50,000
Alabama*	--	--	0.3	0.9	1.5	1.9	2.4	2.6
Alaska	--	--	0.5	1.4	1.8	2.1	2.7	4.2
Arizona*	--	0.1	0.5	1.1	1.5	1.8	2.6	3.5
Arkansas	--	--	--	1.1	1.6	2.2	3.1	4.6
California	--	--	--	--	0.6	1.7	2.8	5.8
Colorado ^{2*}	-1.1	-0.8	0.1	1.0	1.6	2.2	3.1	3.9
Delaware*	--	0.3	0.8	1.5	2.4	3.7	5.0	7.2
District of Columbia ²	-0.6	-0.4	0.5	1.7	2.5	3.3	4.4	6.5
Georgia	--	--	--	0.3	0.8	1.8	2.9	4.1
Hawaii ²	-4.8	-3.3	-1.5	0.6	2.1	3.5	4.5	6.1
Idaho ³	0.4	0.3	0.2	0.5	1.4	2.7	3.9	5.3
Illinois	--	--	0.5	1.2	1.5	1.9	2.1	2.3
Indiana	--	0.6	1.0	1.3	1.5	1.7	1.8	1.9
Iowa*	--	--	1.3	2.3	3.0	3.0	3.5	3.8
Kansas*	--	--	0.5	0.9	1.3	1.7	2.2	3.0
Kentucky*	--	--	0.6	2.0	2.4	2.5	3.0	3.2
Louisiana*	--	--	--	0.1	0.5	0.7	0.9	1.5
Maine	--	--	0.1	0.4	0.6	0.9	1.4	2.4
Maryland ⁴	--	--	0.6	1.7	2.5	2.7	3.2	3.8
Massachusetts ²	- 1.0	-0.7	-0.5	2.1	2.8	3.7	4.1	4.5
Michigan ⁵	- 3.2	-1.9	-1.7	-1.2	-0.6	0.6	0.9	2.1
Minnesota ^{6*}	--	1.2	2.7	4.4	5.4	5.8	6.9	7.8
Mississippi	--	--	--	--	0.4	1.2	1.9	2.7
Missouri*	--	--	0.1	0.7	1.1	1.5	2.3	2.9
Montana*	--	0.3	1.0	2.0	2.8	2.9	3.8	5.0

TABLE M
(Continued)

State	Adjusted Gross Income Class							
	\$2,500	\$3,500	\$5,000	\$7,500	\$10,000	\$17,500	\$25,000	\$50,000
Nebraska ²	-2.1	-1.5	-0.8	-0.1	0.4	0.9	1.3	2.3
New Mexico ²	-3.4	-1.5	0.1	0.5	0.8	1.4	2.1	4.0
New York	--	--	--	1.3	2.1	3.1	4.7	8.7
North Carolina	--	--	0.8	1.8	2.6	3.1	4.0	5.1
North Dakota	--	--	0.1	0.7	1.0	1.9	3.3	4.4
Ohio	0.1	0.1	0.3	0.4	0.6	1.1	1.6	2.4
Oklahoma	--	--	0.1	0.3	0.5	1.1	2.1	3.5
Oregon ^{2*}	-5.1	-4.1	2.2	0.9	2.4	3.6	4.7	6.8
Pennsylvania	--	--	--	2.0	2.0	2.0	2.0	2.0
Rhode Island	--	--	0.3	0.8	1.2	1.6	2.1	3.3
South Carolina*	--	--	0.5	1.0	1.6	2.4	3.5	4.9
Utah*	--	--	0.3	1.1	1.5	2.6	3.3	3.8
Vermont ²	-1.8	-1.1	-0.1	1.5	2.2	3.0	3.8	6.0
Virginia	--	--	0.5	1.1	1.8	2.6	3.3	4.2
West Virginia	--	0.5	0.9	1.2	1.4	1.6	2.0	3.1
Wisconsin ²	-6.0	-0.5	0.5	2.6	3.7	4.6	6.0	7.5
Median Rate	--	--	0.3	1.1	1.5	2.1	3.0	3.9
Federal tax ⁷								
Before Rebate	--	--	2.0	5.5	7.9	10.9	13.9	22.1
After Rebate	--	--	**	4.2	6.9	9.8	13.3	21.9

TABLE M
(Continued)

NOTE: In computing income taxes it was assumed that all income was from wages and salaries and earned by one spouse. For state tax computations the optional standard deduction was used except for the \$17,500, \$25,000 and \$50,000 income classes where it was assumed that deductions are itemized. For federal tax computations (other than the \$17,500, \$25,000 and \$50,000 A.G.I. classes) deductions were estimated at 18 percent of A.G.I. In computing the state tax at the \$17,500 income level, itemized deductions were assumed to be \$3,520, excluding the state personal income tax. For those states that allow deductions of the federal income tax, the itemized deductions were assumed to be \$4,100 in computing the federal tax liability (addition of estimated state income tax less certain deductions not allowed for the federal tax); except that where the state individual income tax is itself deductible for state income tax purposes, the actual state tax liability was added to the \$3,520 for both federal and state tax computations. The comparable state and federal estimated itemized deductions used in computing the tax at the \$25,000 level are \$4,365 and \$5,250, respectively; and for the \$50,000 level, \$7,180 and \$9,370. New Hampshire and Tennessee are excluded since their personal income taxes apply only to interest and dividend income; also excluded is the New Jersey "commuters' income tax." "Effective rates" are computed as the ratio of tax liability to adjusted gross income (i.e., income after business deductions but before personal exemptions and other allowable deductions).

-- Indicates no tax liability.

* Federal income tax deductions.

** Less than .05 percent.

¹Based upon tax liability on income earned during the calendar year 1974.

²Negative rates result from credits allowed for sales taxes paid on food and/or homestead credit.

If the credit exceeds the tax liability, the taxpayer can apply for a refund.

³Includes the \$10 per return permanent building fund tax.

⁴Does not reflect the credit for the state tax on personal property.

⁵Includes credits for estimated city income and property tax payments.

⁶Does not reflect credits for senior citizen homestead relief and tax relief for renters.

⁷Before and after the partial rebate of taxes paid on 1974 income provided for by the "Tax Reduction Act of 1975."

SOURCE: Advisory Commission on Intergovernmental Relations, Federal-State-Local Finances: Significant Features of Fiscal Federalism, 1974-75 Edition (Washington: Advisory Commission on Intergovernmental Relations, 1975), page 30.

TABLE N
GASOLINE TAX RATES
(Cents Per Gallon)

<u>Region and State</u>	<u>July 1, 1976</u>	<u>August 1, 1977</u>	<u>Region and State</u>	<u>July 1, 1976</u>	<u>August 1, 1977</u>
New England States					
Connecticut	11.00	11.00	Georgia	7.50	7.50
Maine	9.00	9.00	Kentucky	9.00	9.00
Massachusetts	8.50	8.50	Louisiana	8.00	8.00
New Hampshire	9.00	10.00	Maryland	9.00	9.00
Rhode Island	10.00	10.00	Mississippi	9.00	9.00
Vermont	9.00	9.00	North Carolina	9.00	9.00
Middle Atlantic States			South Carolina	8.00	9.00
Delaware	9.00	11.00	Tennessee	7.00	7.00
New Jersey	8.00	8.00	Texas	5.00	5.00
New York	8.00	8.00	Virginia	9.00	9.00
Pennsylvania	9.00	9.00	West Virginia	8.50	8.50
North Central States			Mountain States		
Illinois	7.50	7.50	Arizona	8.00	8.00
Indiana	8.00	8.00	Colorado	7.00	7.00
Iowa	7.00	7.00	Idaho	9.50	9.50
Kansas	8.00	8.00	Montana	7.75	8.00
Michigan	9.00	9.00	Nevada	6.00	6.00
Minnesota	9.00	9.00	New Mexico	7.00	7.00
Missouri	7.00	7.00	Oklahoma	6.58	6.58
Nebraska	8.50	9.50	Utah	7.00	7.00
North Dakota	7.00	8.00	Wyoming	7.00	8.00
Ohio	7.00	7.00	Pacific States		
South Dakota	8.00	8.00	Alaska	8.00	8.00
Wisconsin	7.00	7.00	California	7.00	7.00
SREB States			Hawaii	11.50 to 13.50 ^a	11.50 to 13.50 ^a
Alabama	7.00	7.00	Oregon	7.00	7.00
Arkansas	8.50	8.50	Washington	9.00	11.00
Florida	8.00	8.00	District of Columbia	10.00	10.00

a. Varies by county.

TABLE O

CIGARETTE TAX RATES
(Cents per Package)

<u>Region and State</u>	<u>July 1, 1976</u>	<u>September 1, 1977</u>	<u>Region and State</u>	<u>July 1, 1976</u>	<u>September 1, 1977</u>
New England States					
Connecticut	21.00	21.00	Georgia	12.00	12.00
Maine	16.00	16.00	Kentucky	3.00	3.00
Massachusetts	21.00	21.00	Louisiana	11.00	11.00
New Hampshire	12.00	12.00	Maryland	10.00	10.00
Rhode Island	18.00	18.00	Mississippi	11.00	11.00
Vermont	12.00	12.00	North Carolina	2.00	2.00
Middle Atlantic States			South Carolina	6.00	7.00
Delaware	14.00	14.00	Tennessee	13.00	13.00
New Jersey	19.00	19.00	Texas	18.50	18.50
New York	15.00	15.00	Virginia	2.50	2.50
Pennsylvania	18.00	18.00	West Virginia	12.00	12.00
North Central States			Mountain States		
Illinois	12.00	12.00	Arizona	13.00	13.00
Indiana	6.00	10.50	Colorado	10.00	15.00
Iowa	13.00	13.00	Idaho	9.10	9.10
Kansas	11.00	11.00	Montana	12.00	12.00
Michigan	11.00	11.00	Nevada	10.00	10.00
Minnesota	18.00	18.00	New Mexico	12.00	12.00
Missouri	9.00	9.00	Oklahoma	13.00	13.00
Nebraska	13.00	13.00	Utah	8.00	8.00
North Dakota	11.00	11.00	Wyoming	8.00	8.00
Ohio	15.00	15.00	Pacific States		
South Dakota	12.00	12.00	Alaska	8.00	8.00
Wisconsin	16.00	16.00	California	10.00	10.00
SREB States			Hawaii	40 percent ^a	40 percent ^a
Alabama	12.00	12.00	Oregon	9.00	9.00
Arkansas	17.75	17.75	Washington	16.00	16.00
Florida	17.00	21.00	District of Columbia	13.00	13.00

a. 40 percent of wholesale price.

SOURCE: State Tax Guide, Commerce Clearinghouse, Inc.

- (6) Arizona, California, Hawaii and Kansas gave an individual income tax credit for installation of a solar energy device. Georgia and Michigan exempted solar heating devices from the sales tax while Idaho gave an income tax credit for new home insulation. Michigan and Massachusetts exempted all energy conversion devices from the sales and use tax.
- (7) North Dakota has exempted the sale of electricity from the sales and use tax.
- (8) Agricultural pesticides were exempted from the sales tax in Oklahoma and Tennessee.
- (9) Colorado, South Carolina, Vermont and Virginia increased rates on alcoholic beverages.
- (10) Seven states increased their homestead exemption.
- (11) Kentucky increased state property taxes, while in Ohio tax rates were reduced on real property and personal property used in a business.

Major Legislative Actions, 1977

- (1) Sales tax rates were raised in Maryland and Nebraska. In Kansas, drugs were exempted from the sales tax.
- (2) New Jersey passed the Casino Gambling Act of 1977 authorizing the establishment of gambling casinos in Atlantic City. The bill imposes an 8 percent annual tax on gross revenues.
- (3) Individual income tax rates were increased in Louisiana, Kansas, Minnesota and Nebraska. New York took action to reduce rates for middle income taxpayers. Rhode Island passed a new tax credit for the elderly.

- (4) Corporate income tax rates rose in New Hampshire, Louisiana, Delaware and Nebraska. In New York the temporary 20 percent surcharge was extended for one year. Utah reduced its rates.
- (5) Cigarette tax rates were increased in Florida, South Carolina, Colorado and Indiana.
- (6) Motor fuel tax rates increased in South Carolina, Washington, New Hampshire, North Dakota, Nebraska, Montana and Delaware.
- (7) A local sales tax increase was authorized in Georgia, all proceeds to go for property tax relief. A property tax rebate program for renters was started in New Jersey and uniform school property tax rates were set in Maine.
- (8) Liquor taxes increased in eight states.
- (9) Severance taxes on natural resources seem to be more popular. South Dakota passed a tax on coal, oil and gas production; Wisconsin, on metalliferous metals; and North Carolina, on forest products. In Florida, Wyoming, Arkansas, New Mexico, Minnesota, Alabama and Colorado severance tax rates were raised.
- (10) New York City acted to lower its corporate income taxes.
- (11) An assortment of energy-related measures passed state legislatures in 1977. Most of these take the form of exemptions or credits from the income, sales or property taxes for devices that reduce the use of fossil fuels and electricity for heating and cooling residential structures. The revenue effects are expected to be minimal.

NEW GAMBLING TAXES

At the present time all states but five--Hawaii, Mississippi, Missouri, Texas and Utah--have some form of legalized gambling (Table P). Fourteen states run state lotteries, three legalized off-track betting and eight are experimenting with numbers games. Other legal games range from Nevada's and New Jersey's casinos to church-sponsored bingo in Kansas.

States earned \$1.2 billion from legalized gambling in 1976. Of this, over half--\$719.3 million--came from pari-mutuel betting and most of the balance--\$462 million--from state-run lotteries (Table 10). Revenues from gambling are most important in the state of Nevada where more than 45 percent of state revenues come from various gaming taxes and fees in 1976. But Nevada still ranks only sixth among states in total gambling revenues. New York's gambling revenue was three times greater from its combined pari-mutuel, off-track betting and lottery revenues.

In order to increase revenues and revitalize Atlantic City, New Jersey voters legalized casino gambling in that city in 1976. The Miami, Florida area is seriously considering similar action. New Jersey will tax casinos at an 8 percent rate each of the first two years and 10 percent thereafter. Most of the proceeds will go to tax relief for senior and disabled citizens.

According to Gambling in America, the final report of the Commission on the Review of the National Policy Toward Gambling, legal gambling has

TABLE F

LEGALIZED GAMING IN THE UNITED STATES
SEPTEMBER 1977

	Lotteries	Numbers	Sports Betting	DTB	Horse Racing	Dog Racing	Jai Alai	Casinos	Card Games	Bingo	Other
Alabama						X					
Alaska										X	
Arizona					X	X				X	
Arkansas						X					
California					X				X	X	
Colorado					X	X				X	
Connecticut	X	X		X	X ¹	X				X	
Delaware	X				X	X	X ¹			X	
Florida					X	X	X			X	
Georgia										X	
Hawaii											
Idaho					X						
Illinois	X				X					X	
Indiana					X ¹						
Iowa									X	X	
Kansas										X	
Kentucky					X						
Louisiana					X					X	
Maine	X				X					X	
Maryland	X	X			X					X	
Massachusetts	X	X			X	X				X	
Michigan	X	X			X					X	
Minnesota										X	
Mississippi											
Missouri											
Montana			X		X				X	X	
Nebraska					X					X	
Nevada			X ²	X ²	X	X	X	X		X ³	
New Hamp.	X	X			X	X				X	
New Jersey	X	X			X			X ¹		X	
New Mexico					X					X	
New York	Y			X	X					X	
North Carolina										X	
North Dakota										X	
Ohio	X				X					X	
Oklahoma										X	
Oregon					X	X			X	X	
Pennsylvania	X	X			X					X	
Rhode Island	X	X			X		X			X	
South Carolina										X	
South Dakota					X	X				X	
Tennessee										X	
Texas											
Utah											
Vermont	X ¹				X					X	
Virginia										X	
Washington					X				X	X	
West Virginia					X						
Wisconsin										X	
Wyoming					X					X	

1. Legislation has passed, game is still in the planning stages.

2. Bookmakers.

3. Keno--a bingo-like game legalized in Nevada.

SOURCE: Linda Bailey and Elaine Knapp, Council of State Governments,
State Government News, September 1977.

increased from a \$5 billion industry in 1960 to a \$19 billion business in 1975. Undoubtedly, more states will enact new gambling-related taxes and laws if the success of states having these laws continues. Gambling-related taxes have significant attractions as new revenue sources, but offer little hope for major relief for other sources.

TAX COLLECTIONS, POTENTIAL COLLECTIONS AND UNDERUTILIZED POTENTIALS IN 1976

Tax potential (or ability) and collection performance for the nation and six geographic regions have been fairly well summarized in the previous sections. The following paragraphs and the Tables 1-38 examine potential and performance for the individual states as well.

Tax liabilities are determined by multiplying a tax rate by a base. While varying rates and bases explain most of the differences in tax collections, the effectiveness of a state's tax collection efforts also plays a part. Not all states are equally efficient at enforcing tax laws. In the following discussion, attention centers on the obvious rate and base differences, though sometimes multiple rate schedules and complex base construction cloud the issues. The data indicate performance levels including collection efficiency even though such differences are not detailed. Lack of efficiency is especially significant in property tax performance.

General Sales and Use Taxes (Tables 1 and 13)

General sales tax rates vary from a high of 7 percent in Connecticut to 2 percent in Oklahoma (Table 1). Four states--Delaware, Montana,

New Hampshire and Oregon--do not have a general sales tax. This influences the performance of their respective regions. The most common rates are 3 and 4 percent. Thirty-three states are in this narrow range. Twelve states have rates at 4.5 percent or above. In addition to state rates, at least 4,700 local jurisdictions in 26 states levy taxes at rates varying from 1 to 3 percent. Widespread use of local taxes occurs in Alabama, California, Colorado, Georgia, Illinois, Louisiana, Missouri, New York, North Carolina, Oklahoma, Tennessee, Texas, Utah, Virginia and Washington.

The apparently broad tax bases are generally narrowed by substantial exemptions. In many states, major items relating to manufacturing (machinery, equipment, utilities), pollution control and agriculture (machinery, equipment and supplies) are exempt or subject to special reduced rates. Recently energy conservation equipment has become popular as an exemption. Other major revenue reducing exemptions include food (22 states),⁸ medicines usually limited to prescription drugs (38 states), and utilities for home use (Table Q). Only a few personal and business services are taxed. Cigarettes and liquor are generally taxed but motor fuels are exempt in all but four states.⁹

General sales taxes grew to \$32.0 billion (10.1 percent) in 1976, remaining the second largest state and local revenue source (following

8. Washington voters will vote in November, 1977 to determine whether to exempt food from the tax.

9. Motor fuels are taxed in California, Georgia, Indiana and Mississippi.

TABLE Q
EXEMPTION OF FOOD AND MEDICINE IN STATE GENERAL
SALES TAXES, JULY 1, 1976

State	Foods ¹	Medicine ²
Alabama		X ³
Arizona		X
California	X	
Colorado*		X
Connecticut	X	
District of Columbia*	X ⁴	X
Florida	X	X
Idaho		X
Indiana	X	X
Iowa	X	X
Kentucky	X	X
Louisiana	X	X
Maine	X	X
Maryland	X	X
Massachusetts	X	X
Michigan	X	X
Minnesota	X	X
Nebraska*		X
Nevada		X
New Jersey	X	X
New York	X	X
North Carolina		X
North Dakota	X	X
Ohio	X	X
Pennsylvania	X	X
Rhode Island	X	X
South Carolina		X ⁵
South Dakota ⁶		X
Tennessee		X
Texas	X	X
Utah		X
Vermont	X	X

TABLE Q
(Continued)

State	Foods ¹	Medicine ²
Virginia		X
Washington		X
West Virginia		X
Wisconsin	X	X
Wyoming ⁷		X

*Also allows personal income tax credit or cash rebate for sales tax paid on food. See Table 21.

1. Food exemptions usually apply to "food for human consumption off the premises where sold." Restaurant meals are taxable in all states, although meals costing less than a specified amount are exempt in some states.
2. The exemption is usually applicable to medicine sold on prescription or compounded by druggists, and often to medical and dental aids or devices such as artificial limbs, eye glasses, dentures. Some states exempt patent medicines and household remedies.
3. Limited to medicines prescribed by a physician for persons aged 65 or older.
4. Rate on food is 2 percent.
5. Limited to persons 50 years of age or older, and totally and permanently disabled persons.
6. Persons 65 or older and disabled persons are allowed a credit for sales tax paid. For households consisting of one individual, the credit ranges from \$88 if federal adjusted gross income is not over \$2,200 to \$0 if AGI exceeds \$3,700. For households with more than one individual, the credit ranges from \$176 if AGI is not over \$4,400 to \$0 if AGI exceeds \$5,900.
7. Residents 65 or older or totally disabled are eligible for a \$100 sales and use tax refund reduced by the percentage that income exceeds \$4,000 per year. Married persons, at least one of whom is 65 or older or totally disabled, are allowed a refund equal to \$150 reduced by the percentage that their actual income exceeds \$6,000 per year.

SOURCE: ACIR, Federal-State-Local Finances: Significant Features of Fiscal Federalism, 1974-1975 Edition, (Washington: Advisory Commission on Intergovernmental Relations, 1975).

property taxes). Data in Table 1 indicate that 27 states and the District of Columbia underutilized their potential by \$4.5 billion and 23 overutilized their potential to collect general sales taxes. Among the SREB states, Maryland, North Carolina and Virginia showed considerable underutilization. All have substantial individual income taxes.

Table 13 presents data on per capita collections and collections per \$1,000 of personal income. Nationwide per capita collections increased substantially, but collections per \$1,000 of personal income declined slightly. Regional patterns indicate significant per capita increases in all regions. Only the New England region showed an increase in collections related to personal income. In the SREB region, Tennessee and Louisiana showed an increase in this last measure.

Selective Sales Taxes (Tables 2 and 14)

The five categories of selective sales taxes in this report include the alcoholic beverage, tobacco products, public utilities, insurance and "other" minor selective sales taxes. In spite of the fact that these are relatively slow-growing because of their weak response to economic growth, they increased 10.6 percent in 1976. Growth was due in some cases to rate increases, and in the case of utility taxes, to substantially higher prices for electric, gas and telephone services. But more generally, tax increases over 1975 reflect the healthy recovery of the economy from the 1974-75 recession.

Tax rate differences are basically responsible for differences in collection performance. Rates range from 21 cents per package on cigar-

ettes in Connecticut, Florida and Massachusetts, to two to three cents in Kentucky, North Carolina and Virginia (Table O). A majority of tax rates range from ten to 13 cents per package. Moreover, about one-third of the states employ a tax on tobacco products other than cigarettes.

Alcoholic beverage tax rates differ substantially but are variable and complex. Moreover, some states have public ownership of liquor stores and this complicates comparisons. Gross receipts taxes on utilities are also complicated by public ownership of utilities.

Only Oklahoma and Vermont had no underutilization of these five categories of taxes in 1976. Many of the SREB states overutilized them. Notable exceptions are Kentucky, North Carolina and Virginia due to the low cigarette tax rates. California emphasizes only the insurance taxes which are basically gross premium taxes.

Collections per capita increased to \$68.32 in 1976 or 9.8 percent (Table 14). There was no appreciable change in collections per \$1,000 of personal income at \$11.08 in 1976. Per capita collections increased in every region and in every SREB state, while collections per \$1,000 of personal income decreased in the North Central, Mountain and SREB regions.

Total underutilization reached \$3.3 billion 1976, up from \$2.9 billion in 1975. One-third of the total was in the North Central region, one-fourth in the Pacific region (mostly California), and one-sixth in the SREB region.

State Death and Gift Taxes (Table 3)

Collections from this source grew only slightly in 1976 (6.7 percent). In addition to gift taxes, the taxes include both estate and inheritance taxes. One or more of the three types of wealth transfer taxes are used in every state except Nevada. Tax rates are graduated and sometimes more than one rate schedule is used depending on relationship of the heirs.

Some states levy an estate tax solely to recover the allowable federal credit--a "pick-up" tax. Others employ an additional estate or inheritance tax, or both. Sixteen states levied a gift tax in 1976.¹⁰ Five states (Alabama, Alaska, Arkansas, Florida and Georgia) use the "pick-up" tax only; two states (South Dakota and West Virginia) use an inheritance tax only; two states (Oregon and Rhode Island) employ all three types of levy; two states (Mississippi and North Dakota) use an estate tax only; and seven states (Arizona, New York, Ohio, Oklahoma, South Carolina, Utah and Vermont) use an estate tax and "pick-up" estate tax.

The heaviest and most consistent regional users of the death and gift taxes were the New England and the Middle Atlantic regions. One-third of these taxes were collected in these regions, and under-utilization was registered in Vermont only. Almost half of the under-

10. California, Colorado, Delaware, Louisiana, Minnesota, North Carolina, Oklahoma, Oregon, Rhode Island, South Carolina, Tennessee, Texas, Virginia, Vermont, Washington and Wisconsin.

utilization of these taxes was in the SREB region. Every SREB state except Tennessee showed some underutilization.

Property Taxes (Tables 4 and 15)

Property taxes remain the most important source of state and local tax revenue, although the relative importance continued to decline in 1976. The recent decline is more real than is apparent because of the extensive property tax relief programs in which credits against income taxes are permitted for the payment of local property taxes. Credits are especially significant in reducing the effects of property taxes in Indiana, Michigan, Oregon, Wisconsin and Minnesota. At least 20 other states have significant but less extensive property tax relief programs.

In the absence of such nonvisible effects, property taxes as a percent of tax collections fell from 39.2 percent in 1971 to 36.0 percent in 1976. Property taxes are most important in the New England (47.2 percent) and Pacific (41.6 percent) regions and less important in the others (Table 18). They are least important in the SREB region (27.3 percent).

Per capita tax collections were the highest in the Pacific region (\$386.97), followed closely by New England region (\$382.45). See Table 15. The SREB states had the lowest per capita collections (\$157.18). In the SREB states collections ranged from \$57.38 in Alabama to \$239.36 in Maryland. Alabama uses extensive property tax exemptions and credits in

order to attract industrial expansion. For the nation, per capita collections were up 9.9 percent to \$265.55.

Taxes per \$1,000 of personal income were substantially the same in 1975 and 1976 (\$43.08 in 1976). Nor did the patterns among the region and the SREB states demonstrate any drastic change. The 1976 data are presented in Table 15.

In 1976 property tax collections increased to \$57.0 billion (10.7 percent). Underutilization increased at a much greater rate (47.6 percent) because of the restraint on tax increases and the significant economic growth. Collection growth was substantial in the Mountain and Pacific regions, but less so in the New England and North Central regions.

Only a few states outside the SREB region had a substantial underutilized potential in 1976. Among the few were Illinois, Missouri, Ohio, Oklahoma and Pennsylvania. Over 60 percent was located in the SREB states. A total of 21 states overutilized their potential, including all the New England states.

Individual Income Taxes (Tables 5 and 16)

Primarily because of the high responsiveness of the individual income taxes to economic growth and the speedy economic recovery, states registered substantial increases in 1976. Nationally, taxes reached \$24.5 billion (up 14.4 percent). While the growth was universal, the New England and Pacific regions registered the greatest gains. A few states benefited from increased rates while others reduced revenues by liberalizing credits, deductions and exemptions.

Six states (Florida, Nevada, South Dakota, Texas, Washington and Wyoming) do not employ the tax¹¹ and three states (Connecticut, New Hampshire and Tennessee) limit the use to a narrow base. The Connecticut tax covers only capital gains and dividends; New Hampshire's tax is a 4 percent levy on income earned outside the state; Tennessee's tax is a limited levy on dividends and interest from stocks and bonds.

In addition, ten states report local income tax collections in one or more local jurisdictions.¹² Virginia recently passed a bill allowing local income taxes on a regional basis. The tax must be approved in every jurisdiction within an economic area before it becomes effective. A large portion of the approximately 4,000 local income tax impositions are found in Delaware, Indiana, Kentucky, Maryland, Michigan, Ohio and Pennsylvania. Of the 41 states employing broad-based taxes, 36 use progressive rate schedules and five (Illinois, Indiana, Michigan, Ohio and Pennsylvania) use flat rates.

Individual income tax productivity depends primarily on three factors, two of which are controllable. The controllable factors are the rate structures and credit, deduction and exemption policies. The net effect of these is indicated in Table M. While the effective rates shown are all progressive, some are more progressive than others. Some are also lower for every income class than others.

11. However, continuing efforts are being made in South Dakota and Washington to approve it.

12. Alabama, Delaware, Indiana, Kentucky, Maryland, Michigan, Missouri, New York, Ohio and Pennsylvania.

The uncontrollable factor is the level and distribution of taxable income. If a high proportion of a state's taxpayers is in the low income (and largely untaxed) classes, productivity will be low. Conversely, if large percentages are in the middle and upper income classes, productivity will be high. The distribution of taxpayers for federal individual income taxes is given in Table 20 for 1974, the latest year for which statistics are available.

Individual income taxes still have the highest rate of underutilization despite the many rate increases and new adoptions in recent years. Nearly \$10 billion in underutilized potential was measured in 1976, an increase of 15.9 percent over the 1975 amount. Nearly 45 percent of the amount was found in the SREB region, primarily because Florida and Texas do not utilize the tax and Tennessee uses it only in a limited way.

Eleven states and the District of Columbia overutilized this tax source in 1976. In spite of growth, the tax is becoming increasingly underutilized.

Both collections and underutilizations per capita and per \$1,000 of personal income increased. Per capita collections increased to \$114.35 in 1976 (14.4 percent) and collections per \$1,000 of personal income to \$18.55 (3.4 percent). Underutilization increased to \$40.60 per capita (0.6 percent) and \$7.53 per \$1,000 of personal income (4.7 percent).

Corporation Income Taxes (Tables 5 and 17)

Corporation income tax collections increased 9.5 percent (to \$7.3 billion) in 1976 while underutilization grew by 10.5 percent (to \$1.9

billion). The most rapid growth was in the New England, the North Central and the Mountain regions. Especially strong gains were made in Massachusetts, Michigan and New York. Growth in the Pacific states was minimal. The underutilized potential of \$1.9 billion was found to be 45 percent in the SREB region largely because Texas does not use the tax. Another 31 percent in the North Central states originated largely in Illinois, Indiana and Ohio.¹³

Only one state in the SREB region overutilized its corporation income tax potential (Kentucky). Nationwide, thirteen states overutilized the corporation income taxes. Overutilization was significant in California, Massachusetts, New York and Pennsylvania.

As with the individual income taxes, productivity is influenced by the comprehensiveness of the taxable base, the credit and deduction policies and the tax rates. In addition, the allocation formulas that states use to apportion the income of multistate corporations are becoming increasingly important. Finally, the growing use of investment and other industrial development-type credits and deductions should be recognized. While there is some effort being made to standardize many of the business depreciation and depletion allowances and the apportionment formulas, some states are using alternative credits and deductions to attract industrial development and they are becoming more popular. These tend to reduce collections.

13. These states, heavily farming states, may have their potential slightly understated because of the exclusive use of personal income as the representative tax base.

In general, it can be said that underutilization is associated with low tax rates and overutilization with high tax rates. Another factor in evaluating tax performance is the degree of industrialization in relation to personal income. Underutilization is also associated with low industrialization.

Finally, productivity in the SREB region is limited by the absence of a tax in Texas, in the Mountain region by absence of a tax in Nevada and Wyoming, and in the Pacific region by the absence of a tax in Washington.

Licenses and Motor Vehicle Related Taxes (Tables 6, 7 and 8)

Tax performance for two major license taxes and motor fuels taxes are discussed in this section. Other license taxes are listed in Table 11. The motor fuels tax is a selective sales tax but analyzed here along with the other major highway user taxes, the motor vehicle license fees. With one exception¹⁴ all states levy each of these taxes.

Alcoholic Beverage License Taxes (Table 6)

State licenses are placed on sellers, handlers and producers of alcoholic beverage products in every state except Hawaii. Local governments also collect such fees but disaggregated data are not available. Local collections are included in "other and unallocable" taxes in Table 11.

14. Hawaii reported no state alcoholic beverage license fees.

As noted elsewhere, 17 states have state-owned liquor stores.¹⁵ The extent of influence on productivity of public ownership is unclear, but what is lacking in taxes is made up, at least in part, by liquor store profits contributed to the general fund. Such contributions are included in tax revenues. In addition, three states¹⁶ have municipal-owned liquor stores. Their net revenue is unavailable and not included in the collection statistics.

Revenue from this source increased by 4.5 percent from 1975 to 1976, to \$154 million. Underutilization remained relatively stable. Minimal emphasis is put on alcoholic beverage licenses by states; consequently, both potential and actual collections are of minor importance in state budgets.

Motor Vehicle Related Taxes (Tables 7 and 8)

Two taxes are related to motor vehicles--one to ownership and one to use. The motor vehicle license tax placed on the vehicle may be a flat fee per vehicle or a variable fee based on weight or horsepower. For commercial vehicles used in interstate commerce, it may be related to miles driven in the state. Gallonage taxes are placed on fuels used by the vehicles on the state's highways. Some revenues also come from sales of fuels used in aircraft and boats, but generally nonhighway use of fuels is tax exempt or a refund is granted.

15. Alabama, Idaho, Iowa, Maine, Michigan, Mississippi, Montana, New Hampshire, Ohio, Oregon, Pennsylvania, Utah, Vermont, Virginia, Washington, West Virginia and Wyoming.

16. Minnesota, North Carolina and South Dakota.

Both of these taxes are relatively slow-growing because ownership and usage do not expand as fast as personal income or other major measures of economic activity. Moreover, they are not related to value; thus, price inflation does not expand tax liabilities. Finally, these taxes have increased slowly since 1973 because of fuel consumption measures, more efficient vehicles and higher prices.

The primary reasons for differences in productivity of these two taxes are the rate differences. Minor differences may result in the ratio of automobiles to trucks and buses. Moreover, 28 states¹⁷ (11 in the SREB region and six in the North Central region) imposed local license or "inspection" fees in addition to state license fees. In several states where motor vehicle taxes are subjected to local property taxes, other motor vehicle related taxes may be restrained. Likewise, subjecting motor fuel taxes to the general sales taxes (in California, Indiana, Georgia and Mississippi) may limit the determination to apply higher selective taxes. The use of local motor fuel taxes are found in only a few states.

Motor vehicle license tax revenue increased 10.3 percent from 1975 to 1976 primarily because of increased registrations. Connecticut and Pennsylvania showed the greatest collection gains.

17. Alabama, Arizona, Arkansas, Colorado, Florida, Georgia, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New York, North Carolina, Ohio, South Dakota, Tennessee, Texas, Virginia and Washington.

Motor fuel taxes increased by 4.9 percent in 1976, the largest gain in the tax category since the Arab oil embargo and recession. Part of this gain can be attributed to the economic recovery, but most of it is undoubtedly the result of numerous rate changes (ten states have increased rates since 1974). Thirty-five states and the District of Columbia now overutilize this tax. Since most of the revenue generated by this tax is dedicated to state and local highway construction and maintenance programs, the slow growth of revenue from this source has forced many states to increase the tax. As world fuel supplies get more expensive and energy conservation measures go into effect, this trend will probably continue unless states find new ways to finance highway programs.

Severance Taxes (Table 9)

Severance taxes are imposed on the value of natural resources as they are severed from the land or water. They can be used productively only in states having significant amounts of commercial extractive activities. The most productive taxes are applied in states having high concentrations of petroleum and gas. In a few states coal production has or can become a significant tax activity. Production of timber, fish, shellfish, salt, stone, sand, gravel, iron ore and other minerals is also taxed, but frequently the tax is regulatory and not expected to be a major revenue producer.

Because only a few states have significant commercial extractive industries, the value of severed products is considered to be the proper

measure of tax potential. The common measure is collections per \$1,000 of severed products.

Louisiana, Texas and Oklahoma are unique in their ability to exploit oil and gas severance taxes. Other oil producing states use their potential less intensively. Kentucky has made use of its potential in coal severance in the last two years, while Tennessee has a negligible coal severance tax for local highway use. West Virginia employs a gross receipts tax on coal production that is reported in the general sales tax figures and Minnesota levies a reasonable iron ore severance tax.

Over half of the value of severed products is found in the SREB states, almost two-fifths in Texas and Louisiana. Because these states employ the tax intensively, the unutilized potential is not concentrated in the SREB states. Nationally severance tax collections increased 16.5 percent from 1975 to 1976. This large gain was caused by the increased use of this tax by states and several substantial rate increases. During 1976, thirty states utilized some form of this tax.

Transfer Taxes (Table 10)

Transfer taxes are levied on transfers of real estate and on transfers of nontangible wealth (mortgages, stocks, bonds). In some states the coverage is restricted to real estate, while in others the most productive source is stock transfers. Productivity is affected first by the coverage and second by the rate levels.

New York is in an especially favorable position to garner revenue

from a documentary transfer tax. Over 42 percent of the total tax reported for states in 1974 was collected in that state.

Data in Table 10, however, are not fully representative of the extent of this tax. Some states permit local governments to levy the tax. Local data are not available on a state basis and are included in "other and unallocable" taxes in Table 11.

Transfer taxes increased 34.5 percent from 1975 to 1976. The large gain probably reflects an improved stock and bond market in New York and an increasing volume of real estate transfers nationally.

Miscellaneous, Others and Unallocable Taxes (Table 11)

This category of taxes includes all types of gambling taxes mentioned in a previous section of this report (pari-mutuel, off-track betting, casino gambling and lotteries), other license taxes and unallocable local revenues. Of the total of \$5.5 billion collected in 1976, \$1.2 billion or 22 percent of the total came from gambling taxes--\$719 million from pari-mutuel betting and \$462 million from state lotteries. In 1976, Michigan cleared \$106.8 million in its lottery operation and New York made more than \$180 million from pari-mutuel betting.¹⁸ Several states (New York, California, Kentucky,

18. Other lottery collections in 1976 were: Connecticut (\$29.8 million), Delaware (\$2.3 million), Illinois (\$73.5 million), Maine (\$2.6 million), Maryland (\$25.9 million), Massachusetts (\$39.9 million), New Hampshire (\$5.7 million), New Jersey (\$66.1 million), Ohio (\$48.2 million), Pennsylvania (\$56.6 million), Rhode Island (\$4.9 million), New York (\$41.3 million).

Maryland) raise substantial revenues from horse racing. However, in other states, legal prohibitions still are in effect. Legal prohibitions and lack of social acceptance still limit the expansion of these taxes, but, as the need for revenues grows, it is anticipated that many states will seriously examine the possibility of adopting these types of revenue producing measures.

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TABLE 1

POPULATION, PERSONAL INCOME AND STATE AND LOCAL GENERAL SALES AND
GROSS RECEIPTS TAX REVENUE FOR STATES, REGIONS AND
THE UNITED STATES, 1976
(COLLECTIONS IN THOUSANDS)

STATE AND REGION	POPULATION JULY 1, 1976 (THOUSANDS)	PERSONAL INCOME 1976 (MILLIONS)	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL
NEW ENGLAND STATES	12,221	\$ 77,369	\$ 1,181,457	\$ 1,912,575	\$ 748,026
1 CONNECTICUT	3,117	22,284	542,898	550,864	7,966
2 MAINE	1,070	5,438	151,336	134,428	--
3 MASSACHUSETTS	5,809	36,785	347,863	909,332	561,469
4 NEW HAMPSHIRE	822	4,645	--	114,825	114,825
5 RHODE ISLAND	927	5,735	111,328	141,770	30,442
6 VERMONT	476	2,482	28,032	61,355	33,323
MIDDLE ATLANTIC STATES	37,864	\$ 252,331	\$ 5,938,258	\$ 6,237,667	\$ 952,390
7 DELAWARE	582	4,082	--	100,908	100,908
8 NEW JERSEY	7,336	51,194	836,157	1,265,525	429,368
9 NEW YORK	18,084	123,528	3,706,615	3,053,634	--
10 PENNSYLVANIA	11,862	73,527	1,395,486	1,817,601	422,115
NORTH CENTRAL STATES	57,739	\$ 365,828	\$ 7,801,333	\$ 9,043,333	\$1,449,587
11 ILLINOIS	11,229	79,832	2,025,288	1,973,461	--
12 INDIANA	5,302	31,733	902,589	784,445	--
13 IOWA	2,870	18,188	351,872	449,611	97,739
14 KANSAS	2,310	14,495	304,765	358,319	53,554
15 MICHIGAN	9,104	60,197	1,069,975	1,488,081	418,106
16 MINNESOTA	3,965	23,684	429,141	585,473	156,332
17 MISSOURI	4,778	27,517	647,384	680,225	32,841
18 NEBRASKA	1,553	9,692	185,465	239,588	54,123
19 NORTH DAKOTA	643	3,667	110,238	90,649	--
20 OHIO	10,690	65,793	1,088,053	1,626,415	538,362
21 SOUTH DAKOTA	686	3,383	101,656	83,628	--
22 WISCONSIN	4,609	27,647	584,907	683,439	98,532
SOUTH STATES	64,803	\$ 356,781	\$ 9,007,267	\$ 8,819,690	\$ 723,870
23 ALABAMA	3,665	17,849	516,322	441,230	--
24 ARKANSAS	2,109	10,385	240,856	256,719	15,863
25 FLORIDA	8,421	49,254	1,254,086	1,217,568	--

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TABLE 1 (CONTINUED)

STATE AND REGION	POPULATION JULY 1, 1976 (THOUSANDS)	PERSONAL INCOME 1976 (MILLIONS)	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL
SEED STATES (CONTINUED)					
26 GEORGIA	4,970	26,486	670,475	654,739	--
27 KENTUCKY	3,428	17,624	409,193	435,668	26,475
28 LOUISIANA	3,841	19,756	711,178	488,372	--
29 MARYLAND	4,144	27,864	419,397	688,803	269,406
30 MISSISSIPPI	2,354	10,241	424,838	253,159	--
31 NORTH CAROLINA	5,469	28,328	592,062	700,273	108,211
32 SOUTH CAROLINA	2,848	13,839	372,608	342,103	--
33 TENNESSEE	4,214	21,816	728,202	539,295	--
34 TEXAS	12,487	73,801	1,748,850	1,824,374	75,524
35 VIRGINIA	5,032	30,168	517,368	745,758	228,390
36 WEST VIRGINIA	1,821	9,370	401,832	231,628	--
MOUNTAIN STATES	12,599	\$ 71,147	\$ 2,035,352	\$ 1,758,766	\$ 215,505
37 ARIZONA	2,270	12,532	521,704	309,793	--
38 COLORADO	2,583	16,108	474,005	398,193	--
39 IDAHO	831	4,490	88,873	110,994	22,121
40 MONTANA	753	4,218	--	104,270	104,270
41 NEVADA	610	4,196	111,236	103,726	--
42 NEW MEXICO	1,168	5,809	245,981	143,600	--
43 OKLAHOMA	2,766	15,003	281,762	370,877	89,115
44 UTAH	1,228	6,337	227,510	156,652	--
45 WYOMING	390	2,454	84,281	60,663	--
PACIFIC STATES	28,730	\$ 193,945	\$ 5,962,859	\$ 4,794,355	\$ 408,746
46 ALASKA	382	3,686	28,900	91,119	62,219
47 CALIFORNIA	21,520	146,859	4,559,636	3,630,381	--
48 HAWAII	887	5,902	309,596	145,898	--
49 OREGON	2,329	14,018	--	346,527	346,527
50 WASHINGTON	3,612	23,480	1,064,727	580,430	--
DISTRICT OF COLUMBIA	702	\$ 5,828	\$ 117,400	\$ 144,069	\$ 26,669
ALL STATES INCLUDING DISTRICT OF COLUMBIA	214,658	\$1,323,229	\$32,043,926	\$32,710,456	\$4,524,794

TABLE 2

STATE AND LOCAL SELECTIVE SALES AND GROSS RECEIPTS TAX REVENUE,
FOR STATES, REGIONS, AND THE UNITED STATES, 1976
(IN THOUSANDS OF DOLLARS)

STATE AND REGION	ALCOHOLIC BEVERAGES			TOBACCO PRODUCTS		
	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL
NEW ENGLAND STATES	\$ 171,774	\$ 152,065	\$ 23,303	\$ 296,301	\$ 209,369	--
1 CONNECTICUT	24,150	43,798	19,648	72,560	60,303	--
2 MAINE	22,979	10,688	--	23,935	14,716	--
3 MASSACHUSETTS	76,762	72,299	--	138,195	99,544	--
4 NEW HAMPSHIRE	27,647	9,130	--	27,486	12,570	--
5 RHODE ISLAND	7,617	11,272	3,655	24,422	15,520	--
6 VERMONT	12,619	8,878	--	9,703	6,717	--
MIDDLE ATLANTIC STATES	\$ 369,258	\$ 495,946	\$ 137,707	\$ 812,690	\$ 682,836	--
7 DELAWARE	4,519	8,023	3,504	12,116	11,046	--
8 NEW JERSEY	55,350	100,620	45,270	167,608	138,537	--
9 NEW YORK	153,856	242,789	88,933	387,866	334,281	--
10 PENNSYLVANIA	155,533	144,514	--	245,100	198,972	--
NORTH CENTRAL STATES	\$ 608,204	\$ 719,019	\$ 185,138	\$ 950,204	\$ 989,972	\$ 86,003
11 ILLINOIS	76,763	156,906	80,143	204,942	216,034	11,092
12 INDIANA	26,446	62,370	35,924	52,602	85,873	33,271
13 IOWA	47,157	35,748	--	45,342	49,219	3,877
14 KANSAS	16,843	28,489	11,646	31,688	39,225	7,537
15 MICHIGAN	138,265	118,315	--	137,561	162,900	25,339
16 MINNESOTA	49,339	48,550	--	82,474	64,092	--
17 MISSOURI	22,848	54,083	31,235	77,252	74,464	--
18 NEBRASKA	10,045	19,049	9,004	22,604	26,228	3,624
19 NORTH DAKOTA	6,032	7,207	1,175	8,681	9,923	1,242
20 OHIO	169,133	129,313	--	194,820	178,043	--
21 SOUTH DAKOTA	7,003	6,649	--	9,134	9,155	21
22 WISCONSIN	38,330	54,339	16,009	83,104	74,816	--
SOUTH STATES	\$ 1,012,458	\$ 701,238	\$ 62,775	\$ 967,969	\$ 965,489	\$ 166,856
23 ALABAMA	83,228	35,081	--	56,160	48,301	--
24 ARKANSAS	18,236	20,411	2,175	44,251	28,103	--
25 FLORIDA	180,714	98,807	--	182,590	133,287	--

TABLE 2 (CONTINUED)

STATE AND REGION	ALCOHOLIC BEVERAGES			TOBACCO PRODUCTS		
	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL
SRED STATES (CONTINUED)						
26 GEORGIA	122,555	52,057	--	73,266	71,674	--
27 KENTUCKY	15,198	34,639	19,441	22,196	47,693	25,497
28 LOUISIANA	47,936	38,830	--	55,950	53,462	--
29 MARYLAND	27,578	54,766	27,188	54,309	75,403	21,094
30 MISSISSIPPI	37,477	20,128	--	30,767	27,713	--
31 NORTH CAROLINA	84,509	55,677	--	21,473	76,659	55,186
32 SOUTH CAROLINA	69,104	27,200	--	23,420	37,450	14,030
33 TENNESSEE	72,770	42,878	--	66,796	59,037	--
34 TEXAS	131,082	145,053	13,971	279,228	199,714	--
35 VIRGINIA	85,104	59,294	--	30,588	81,638	51,050
36 WEST VIRGINIA	36,967	18,416	--	26,975	25,356	--
MOUNTAIN STATES	\$ 132,936	\$ 139,836	\$ 29,051	\$ 173,904	\$ 192,532	\$ 29,483
37 ARIZONA	17,139	24,631	7,492	34,958	33,913	--
38 COLORADO	16,708	31,660	14,952	32,494	43,590	11,096
39 IDAHO	15,485	8,825	--	7,906	12,150	4,244
40 MONTANA	15,946	8,290	--	11,136	11,414	278
41 NEVADA	9,724	8,247	--	11,374	11,355	--
42 NEW MEXICO	6,679	11,417	4,738	13,649	15,720	2,071
43 OKLAHOMA	32,591	29,488	--	50,391	40,600	--
44 UTAH	15,710	12,455	--	7,471	17,149	9,678
45 WYOMING	2,954	4,823	1,869	4,525	6,641	2,116
PACIFIC STATES	\$ 294,620	\$ 381,191	\$ 163,297	\$ 369,938	\$ 524,837	\$ 154,899
46 ALASKA	7,842	7,245	--	4,617	9,975	5,358
47 CALIFORNIA	125,348	288,645	163,297	266,454	397,417	130,963
48 HAWAII	15,010	11,600	--	9,574	15,971	6,397
49 OREGON	51,741	27,552	--	31,370	37,934	6,564
50 WASHINGTON	98,679	46,149	--	57,923	63,560	5,637
DISTRICT OF COLUMBIA	\$ 11,500	\$ 11,455	--	\$ 9,800	\$ 15,771	\$ 5,971
ALL STATES INCLUDING DISTRICT OF COLUMBIA	\$ 2,600,750	\$ 2,600,750	\$ 601,270	\$ 3,580,806	\$ 3,580,806	\$ 443,212

TABLE 2 (CONTINUED)

INSURANCE TAXES			PUBLIC UTILITIES			OTHER SELECTIVE SALES TAXES		
AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL
\$ 165,326	\$ 115,143	\$ 698	\$ 150,750	\$ 288,454	\$ 160,592	\$ 184,604	\$ 102,056	\$ 34,489
1 44,733	33,164	--	99,551	83,081	--	9,537	29,394	19,857
2 7,968	8,093	125	9,843	20,274	10,431	--	7,173	7,173
3 92,708	54,745	--	--	137,145	137,145	142,763	48,522	--
4 7,147	6,913	--	4,303	17,318	13,015	14,528	6,127	--
5 7,962	8,535	573	27,721	21,382	--	106	7,565	7,459
6 4,808	3,694	--	9,332	9,254	--	17,670	3,274	--
\$ 339,934	\$ 375,527	\$ 15,593	\$ 1,051,360	\$ 940,763	\$ 28,446	\$ 325,271	\$ 332,844	\$ 128,514
7 5,998	6,075	77	17,403	15,219	--	691	5,384	4,693
8 56,732	76,189	19,457	313,880	190,866	--	30,779	67,529	36,750
9 177,313	183,838	6,525	474,393	460,548	--	283,884	162,943	--
10 99,891	109,425	9,534	245,684	274,130	28,446	9,917	96,988	87,071
\$ 420,618	\$ 544,437	\$ 128,449	\$ 1,137,908	\$ 1,363,913	\$ 402,579	\$ 129,885	\$ 482,555	\$ 391,924
11 65,329	118,809	53,480	425,162	297,637	--	40,158	105,304	65,146
12 37,738	47,226	9,488	11,500	118,310	106,810	1,079	41,858	40,779
13 26,780	27,068	288	16,800	67,810	51,010	240	23,991	23,751
14 22,035	21,572	--	53,225	54,042	817	279	19,120	18,841
15 48,050	89,587	41,537	37,100	224,432	187,332	51	79,404	79,353
16 37,569	35,247	--	87,886	88,301	415	65,073	31,241	--
17 40,428	40,952	524	116,175	102,591	--	2,600	36,297	33,697
18 13,309	14,424	1,115	71,600	36,135	--	1,439	12,784	11,345
19 5,559	5,457	--	4,814	13,672	8,858	2,302	4,837	2,535
20 87,721	97,915	10,194	216,028	245,295	29,267	5,200	86,786	81,586
21 6,778	5,035	--	7,377	12,613	5,236	9,884	4,462	--
22 29,322	41,145	11,823	90,241	103,076	12,835	1,580	36,469	34,889
\$ 606,799	\$ 530,973	\$ 10,241	\$ 1,716,132	\$ 1,330,184	\$ 175,103	\$ 748,541	\$ 470,621	\$ 125,718
23 38,834	26,563	--	143,734	66,546	--	20,814	23,544	2,730
24 16,710	15,455	--	26,200	38,718	12,518	900	13,699	12,799
25 64,231	73,301	9,070	362,955	183,633	--	44,484	64,970	20,486

TABLE 2 (CONTINUED)

INSURANCE TAXES				PUBLIC UTILITIES			OTHER SELECTIVE SALES TAXES		
AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL	
26 41,812	39,417	--	58,300	98,748	40,448	12,000	34,937	22,937	
27 47,490	26,229	--	49,300	65,707	16,407	83,925	23,247	--	
28 40,295	29,402	--	49,823	73,656	23,833	15,032	26,060	11,028	
29 40,297	41,468	1,171	78,941	103,885	24,944	108,104	36,755	--	
30 22,764	15,241	--	15,571	38,181	22,610	2,660	13,509	10,849	
31 54,477	42,159	--	193,113	105,615	--	19,765	37,367	17,602	
32 23,211	20,596	--	47,288	51,596	4,308	12,385	18,255	5,870	
33 38,562	32,467	--	123,931	81,336	--	7,358	28,777	21,419	
34 111,447	109,833	--	341,629	275,152	--	308,315	97,349	--	
35 49,308	44,897	--	220,447	112,475	--	64,485	39,794	--	
36 17,361	13,945	--	4,900	34,934	30,034	48,314	12,360	--	
\$ 120,183	\$ 105,883	\$ 4,694	\$ 241,283	\$ 265,257	\$ 68,168	\$ 137,007	\$ 93,848	\$ 49,415	
37 17,694	18,651	957	88,280	46,723	--	4,000	16,531	12,531	
38 20,489	23,972	3,483	42,928	60,055	17,127	3,721	21,248	17,527	
39 8,568	6,682	--	6,837	16,740	9,903	--	5,923	5,923	
40 9,483	6,277	--	4,572	15,726	11,154	3,025	5,564	2,539	
41 6,013	6,245	232	9,551	15,644	6,093	83,691	5,535	--	
42 11,224	8,645	--	10,222	21,658	11,436	12,630	7,663	--	
43 33,331	22,328	--	58,573	55,936	--	29,240	19,790	--	
44 9,751	9,431	--	15,820	23,626	7,806	700	8,359	7,659	
45 3,630	3,652	22	4,500	9,149	4,649	--	3,237	3,237	
\$ 307,512	\$ 288,635	\$ 11,771	\$ 474,605	\$ 723,083	\$ 358,426	\$ 164,014	\$ 255,828	\$ 117,387	
46 6,079	5,486	--	5,926	13,742	7,816	19,077	4,862	--	
47 241,320	218,560	--	230,584	547,533	316,949	99,707	193,718	94,011	
48 16,078	8,784	--	39,883	22,004	--	--	7,785	7,785	
49 18,948	20,862	1,914	18,603	52,263	33,660	2,900	18,491	15,591	
50 25,087	34,944	9,857	179,604	87,540	--	42,330	30,972	--	
DC 8,900	8,673	--	24,200	21,728	--	32,000	7,688	--	
\$1,969,272	\$1,969,272	\$ 191,446	\$ 4,796,238	\$ 4,933,383	\$1,193,314	\$1,721,322	\$1,745,440	\$ 847,447	

TABLE 3

STATE DEATH AND GIFT TAX REVENUE,
FOR STATES, REGIONS AND THE UNITED STATES, 1976
(IN THOUSANDS)

STATE AND REGION	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL
NEW ENGLAND STATES	\$ 129,805	89,324	323
1 CONNECTICUT	45,671	25,727	--
2 MAINE	7,362	6,278	--
3 MASSACHUSETTS	58,460	42,469	--
4 NEW HAMPSHIRE	5,936	5,363	--
5 RHODE ISLAND	9,833	6,621	--
6 VERMONT	2,543	2,866	323
MIDDLE ATLANTIC STATES	\$ 372,536	291,323	--
7 DELAWARE	6,253	4,713	--
8 NEW JERSEY	79,361	59,105	--
9 NEW YORK	147,568	142,616	--
10 PENNSYLVANIA	139,354	84,889	--
NORTH CENTRAL STATES	\$ 309,046	422,358	145,831
11 ILLINOIS	69,309	92,168	22,859
12 INDIANA	22,205	36,637	14,432
13 IOWA	28,270	20,999	--
14 KANSAS	13,023	16,735	3,712
15 MICHIGAN	33,569	69,499	35,930
16 MINNESOTA	44,700	27,344	--
17 MISSOURI	18,419	31,769	13,350
18 NEBRASKA	1,746	11,190	9,444
19 NORTH DAKOTA	2,500	4,234	1,734
20 OHIO	31,988	75,960	43,972
21 SOUTH DAKOTA	4,853	3,906	--
22 WISCONSIN	38,464	31,919	--
SOUTH STATES	\$ 255,270	411,913	162,379
23 ALABAMA	4,899	20,607	15,708
24 ARKANSAS	2,169	11,990	9,821
25 FLORIDA	37,945	56,865	18,920

ALL NOTES AND FOOTNOTES ARE ON PAGE 120

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TABLE 3 (CONTINUED)

STATE AND REGION	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL
SEEB STATES (CONTINUED)			
26 GEORGIA	5,831	30,579	24,748
27 KENTUCKY	16,424	20,347	3,923
28 LOUISIANA	13,580	22,809	9,229
29 MARYLAND	15,587	32,170	16,583
30 MISSISSIPPI	4,526	11,823	7,297
31 NORTH CAROLINA	29,986	32,705	2,719
32 SOUTH CAROLINA	8,380	15,977	7,597
33 TENNESSEE	30,923	25,187	--
34 TEXAS	58,373	85,205	26,832
35 VIRGINIA	18,809	34,830	16,021
36 WEST VIRGINIA	7,838	10,818	2,980
MOUNTAIN STATES	\$ 61,239	82,141	27,888
37 ARIZONA	4,512	14,469	9,957
38 COLORADO	17,456	18,597	1,141
39 IDAHO	3,572	5,184	1,612
40 MONTANA	6,180	4,870	--
41 NEVADA	--	4,844	4,844
42 NEW MEXICO	1,854	6,707	4,853
43 OKLAHOMA	22,997	17,321	--
44 UTAH	3,461	7,316	3,855
45 WYOMING	1,207	2,833	1,626
PACIFIC STATES	\$ 385,411	223,914	7,657
46 ALASKA	159	4,256	4,097
47 CALIFORNIA	320,713	169,552	--
48 HAWAII	3,254	6,814	3,560
49 OREGON	23,472	16,184	--
50 WASHINGTON	37,813	27,108	--
DISTRICT OF COLUMBIA	\$ 9,550	6,729	--
ALL STATES INCLUDING DISTRICT OF COLUMBIA	\$ 1,522,857	1,527,701	343,677

TABLE 4
STATE AND LOCAL GENERAL PROPERTY TAX REVENUE
FOR STATES, REGIONS AND THE UNITED STATES, 1976
(IN THOUSANDS)

STATE AND REGION	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL
NEW ENGLAND STATES	\$ 4,673,937	3,332,875	--
1 CONNECTICUT	1,150,000	959,942	--
2 MAINE	317,796	234,256	--
3 MASSACHUSETTS	2,500,871	1,584,612	--
4 NEW HAMPSHIRE	286,021	200,096	--
5 RHODE ISLAND	272,687	247,050	--
6 VERMONT	146,562	106,919	--
MIDDLE ATLANTIC STATES	\$ 12,880,936	10,869,828	1,184,360
7 DELAWARE	75,700	175,843	100,143
8 NEW JERSEY	3,275,321	2,205,317	--
9 NEW YORK	7,446,761	5,321,296	--
10 PENNSYLVANIA	2,083,154	3,167,371	1,084,217
NORTH CENTRAL STATES	\$ 15,256,634	15,759,012	1,151,393
11 ILLINOIS	3,188,532	3,438,975	250,443
12 INDIANA	1,197,589	1,366,983	169,394
13 IOWA	796,725	783,496	--
14 KANSAS	633,072	624,411	--
15 MICHIGAN	2,951,726	2,593,146	--
16 MINNESOTA	1,007,882	1,020,251	12,369
17 MISSOURI	931,064	1,185,368	254,304
18 NEBRASKA	495,046	417,509	--
19 NORTH DAKOTA	136,530	157,966	21,436
20 OHIO	2,390,761	2,834,208	443,447
21 SOUTH DAKOTA	197,600	145,732	--
22 WISCONSIN	1,330,107	1,190,968	--
SURED STATES	\$ 10,185,994	15,369,288	5,183,294
23 ALABAMA	210,281	768,893	558,612
24 ARKANSAS	213,479	447,361	233,882
25 FLORIDA	1,611,437	2,121,747	510,310

ALL NOTES AND FOOTNOTES ARE ON PAGE 120

TABLE 4 (CONTINUED)

STATE AND REGION	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL
SEED STATES (CONTINUED)			
26 GEORGIA	884,312	1,140,955	256,643
27 KENTUCKY	358,999	759,201	400,202
28 LOUISIANA	346,634	851,042	504,408
29 MARYLAND	991,892	1,200,316	208,424
30 MISSISSIPPI	258,006	441,158	183,152
31 NORTH CAROLINA	711,995	1,220,304	508,309
32 SOUTH CAROLINA	329,690	596,152	266,462
33 TENNESSEE	545,700	939,782	394,082
34 TEXAS	2,661,968	3,179,174	517,206
35 VIRGINIA	868,653	1,299,567	430,914
36 WEST VIRGINIA	192,948	403,638	210,690
MOUNTAIN STATES	\$ 2,739,278	3,064,846	546,622
37 ARIZONA	640,589	539,849	--
38 COLORADO	700,765	693,895	--
39 IDAHO	157,957	193,419	35,462
40 MONTANA	263,713	181,702	--
41 NEVADA	165,964	180,754	14,790
42 NEW MEXICO	119,741	250,238	130,497
43 OKLAHOMA	342,600	646,294	303,694
44 UTAH	210,804	272,983	62,179
45 WYOMING	137,145	105,713	--
PACIFIC STATES	\$ 11,117,622	8,354,696	259,680
46 ALASKA	400,429	158,784	--
47 CALIFORNIA	8,935,705	6,326,341	--
48 HAWAII	153,900	254,244	100,344
49 OREGON	775,460	603,863	--
50 WASHINGTON	852,128	1,011,463	159,335
DISTRICT OF COLUMBIA	\$ 147,200	251,057	103,857
ALL STATES INCLUDING DISTRICT OF COLUMBIA	\$ 57,001,601	57,001,601	8,429,205

TABLE 5
STATE AND LOCAL INDIVIDUAL AND CORPORATE INCOME TAX REVENUE,
FOR STATES, REGIONS AND THE UNITED STATES, 1976
(IN THOUSANDS)

STATE AND REGION	INDIVIDUAL INCOME TAXES			CORPORATE INCOME TAXES		
	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL
NEW ENGLAND STATES	\$ 1,477,118	\$ 1,765,922	\$ 667,620	\$ 574,665	\$ 465,012	\$ 5,442
1 CONNECTICUT	50,489	508,625	458,136	143,685	133,934	--
2 MAINE	52,190	124,121	71,931	32,642	32,684	42
3 MASSACHUSETTS	1,216,149	839,605	--	325,122	221,089	--
4 NEW HAMPSHIRE	6,175	106,021	99,846	24,144	27,918	3,772
5 RHODE ISLAND	93,192	130,899	37,707	35,780	34,469	--
6 VERMONT	58,923	56,651	--	13,290	14,918	1,628
MIDDLE ATLANTIC STATES	\$ 6,916,805	\$ 5,759,372	\$1,228,706	\$ 2,001,455	\$ 1,516,587	\$ 80,399
7 DELAWARE	150,287	93,170	--	22,861	24,534	1,673
8 NEW JERSEY	101,200	1,168,486	1,067,286	228,966	307,692	78,726
9 NEW YORK	5,148,508	2,819,486	--	1,132,756	742,441	--
10 PENNSYLVANIA	1,516,810	1,678,230	161,420	616,872	441,920	--
NORTH CENTRAL STATES	\$ 6,921,854	\$ 8,349,903	\$2,065,879	\$ 1,688,501	\$ 2,198,739	\$ 594,307
11 ILLINOIS	1,216,557	1,822,139	605,582	312,131	479,815	167,684
12 INDIANA	427,732	724,295	296,563	85,487	190,725	105,238
13 IOWA	388,212	415,135	26,923	77,831	109,315	31,484
14 KANSAS	193,730	330,844	137,114	92,848	87,119	--
15 MICHIGAN	1,290,189	1,373,977	83,788	334,484	361,803	27,319
16 MINNESOTA	849,520	540,579	--	196,436	142,348	--
17 MISSOURI	414,443	628,066	213,623	83,680	165,386	81,706
18 NEBRASKA	105,736	221,217	115,481	28,514	58,252	29,738
19 NORTH DAKOTA	58,776	83,698	24,922	19,572	22,040	2,468
20 OHIO	1,017,036	1,501,704	484,668	265,052	395,436	130,384
21 SOUTH DAKOTA	--	77,216	77,216	2,047	20,333	18,286
22 WISCONSIN	959,923	631,034	--	190,419	166,167	--
SEED STATES	\$ 4,179,071	\$ 8,143,409	\$4,467,215	\$ 1,318,591	\$ 2,144,364	\$ 854,632
23 ALABAMA	242,897	407,398	164,501	60,307	107,278	46,971
24 ARKANSAS	147,688	237,034	89,346	56,197	62,417	6,220
25 FLORIDA	--	1,124,206	1,124,206	180,740	296,032	115,292

ALL NOTES AND FOOTNOTES ARE ON PAGE 120

TABLE 5 (CONTINUED)

STATE AND REGION	INDIVIDUAL INCOME TAXES			CORPORATE INCOME TAXES		
	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL
SEEN STATES (CONTINUED)						
26 GEORGIA	413,188	604,534	191,346	132,741	159,189	26,448
27 KENTUCKY	387,246	402,262	15,016	134,785	105,926	--
28 LOUISIANA	117,641	450,924	333,283	87,741	118,740	30,999
29 MARYLAND	1,138,864	635,987	--	109,254	167,471	58,217
30 MISSISSIPPI	105,410	233,747	128,337	41,128	61,552	20,424
31 NORTH CAROLINA	604,793	646,577	41,784	156,661	170,260	13,599
32 SOUTH CAROLINA	244,532	315,871	71,339	79,732	83,177	3,445
33 TENNESSEE	22,131	497,943	475,812	128,621	131,121	2,500
34 TEXAS	--	1,684,483	1,684,483	--	443,567	443,567
35 VIRGINIA	614,575	688,575	74,000	130,417	181,319	50,902
36 WEST VIRGINIA	140,106	213,867	73,761	20,267	56,317	36,050
MOUNTAIN STATES	\$ 1,079,343	\$ 1,623,907	\$ 545,809	\$ 272,303	\$ 427,615	\$ 160,078
37 ARIZONA	162,869	286,039	123,170	46,499	75,321	28,822
38 COLORADO	320,379	367,660	47,281	69,597	96,814	27,217
39 IDAHO	98,824	102,483	3,659	31,752	26,986	--
40 MONTANA	97,520	96,274	--	23,020	25,351	2,331
41 NEVADA	--	95,772	95,772	--	25,219	25,219
42 NEW MEXICO	58,191	132,589	74,398	23,504	34,914	11,410
43 OKLAHOMA	200,998	342,439	141,441	53,430	90,173	36,743
44 UTAH	140,562	144,640	4,078	24,501	38,087	13,586
45 WYOMING	--	56,012	56,012	--	14,749	14,749
PACIFIC STATES	\$ 3,761,104	\$ 4,426,731	\$ 930,143	\$ 1,417,182	\$ 1,165,669	\$ 158,836
46 ALASKA	146,254	84,132	--	31,103	22,154	--
47 CALIFORNIA	2,957,788	3,352,008	394,220	1,284,068	882,668	--
48 HAWAII	184,915	134,711	--	35,354	35,473	119
49 OREGON	472,147	319,956	--	66,657	84,253	17,596
50 WASHINGTON	--	535,923	535,923	--	141,122	141,122
DISTRICT OF COLUMBIA	\$ 154,570	\$ 133,022	--	\$ 55,660	\$ 35,028	--
ALL STATES INCLUDING DISTRICT OF COLUMBIA	\$24,489,865	\$30,202,265	\$9,905,372	\$ 7,328,357	\$ 7,953,014	\$1,853,694

TABLE 6
STATE ALCOHOLIC BEVERAGE LICENSE TAX REVENUE,
FOR STATES, REGIONS AND THE UNITED STATES, 1976
(IN THOUSANDS)

STATE AND REGION	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNTILIZED POTENTIAL
NEW ENGLAND STATES	\$ 7,788	9,108	4,387
1 CONNECTICUT	5,040	2,623	--
2 MAINE	1,172	640	--
3 MASSACHUSETTS	538	8,331	3,793
4 NEW HAMPSHIRE	527	547	20
5 RHODE ISLAND	100	675	575
6 VERMONT	411	292	--
MIDDLE ATLANTIC STATES	\$ 44,570	29,706	3,877
7 DELAWARE	396	481	85
8 NEW JERSEY	2,234	6,027	3,793
9 NEW YORK	33,112	18,542	--
10 PENNSYLVANIA	8,828	8,654	--
NORTH CENTRAL STATES	\$ 35,343	43,067	17,482
11 ILLINOIS	1,066	9,398	8,332
12 INDIANA	6,280	3,736	--
13 IOWA	4,354	2,141	--
14 KANSAS	870	1,706	836
15 MICHIGAN	9,407	7,007	--
16 MINNESOTA	326	2,788	2,462
17 MISSOURI	2,082	3,239	1,157
18 NEBRASKA	134	1,141	1,007
19 NORTH DAKOTA	206	432	226
20 OHIO	10,446	7,745	--
21 SOUTH DAKOTA	109	398	289
22 WISCONSIN	83	3,255	3,172
SOUTH STATES	\$ 34,752	42,002	15,445
23 ALABAMA	2,961	2,101	--
24 ARKANSAS	734	1,223	489
25 FLORIDA	11,061	5,798	--

ALL NOTES AND FOOTNOTES ARE ON PAGE 121

TABLE 6 (CONTINUED)

STATE AND REGION	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL
SEAS STATES (CONTINUED)			
26 GEORGIA	667	3,118	2,451
27 KENTUCKY	1,144	2,075	931
28 LOUISIANA	1,282	2,326	1,044
29 MARYLAND	225	3,280	3,055
30 MISSISSIPPI	1,794	1,204	--
31 NORTH CAROLINA	497	3,335	2,838
32 SOUTH CAROLINA	2,197	1,629	--
33 TENNESSEE	854	2,568	1,714
34 TEXAS	7,853	8,688	835
35 VIRGINIA	1,463	3,552	2,089
36 WEST VIRGINIA	1,200	1,103	--
MOUNTAIN STATES	8 6,877	8,376	2,896
37 ARIZONA	1,530	1,475	--
38 COLORADO	1,539	1,896	357
39 IDAHO	590	529	--
40 MONTANA	1,778	497	--
41 NEVADA	19	894	475
42 NEW MEXICO	388	684	376
43 OKLAHOMA	1,004	1,764	762
44 UTAH	99	786	647
45 WYOMING	10	289	279
PACIFIC STATES	8 24,612	22,832	1,774
46 ALASKA	920	434	--
47 CALIFORNIA	19,853	17,289	--
48 HAWAII	--	695	695
49 OREGON	971	1,650	679
50 WASHINGTON	2,848	2,764	--
DISTRICT OF COLUMBIA	8 1,120	686	--
ALL STATES INCLUDING DISTRICT OF COLUMBIA	8 155,082	155,777	45,463

TABLE 7
NUMBER OF MOTOR VEHICLES REGISTERED
AND STATE AND LOCAL MOTOR VEHICLE LICENSE TAX REVENUE,
FOR STATES, REGIONS AND THE UNITED STATES, 1976
(IN THOUSANDS)

STATE AND REGION	NUMBER OF MOTOR VEHICLES REGISTERED, 1975	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL
NEW ENGLAND STATES	7,209	\$ 176,400	\$ 235,364	\$ 65,878
1 CONNECTICUT	2,034	59,178	66,407	7,229
2 MAINE	672	20,282	21,940	1,658
3 MASSACHUSETTS	3,119	47,408	101,631	54,223
4 NEW HAMPSHIRE	512	17,516	16,716	--
5 RHODE ISLAND	581	16,401	18,969	2,568
6 VERMONT	291	15,615	9,501	--
MIDDLE ATLANTIC STATES	19,564	\$ 763,167	\$ 638,738	--
7 DELAWARE	351	17,378	11,460	--
8 NEW JERSEY	4,267	182,041	139,312	--
9 NEW YORK	7,614	317,328	248,587	--
10 PENNSYLVANIA	7,332	246,420	239,380	--
NORTH CENTRAL STATES	36,683	\$ 1,438,430	\$ 1,197,650	\$ 51,723
11 ILLINOIS	6,393	374,370	208,725	--
12 INDIANA	3,328	85,719	108,655	22,936
13 IOWA	2,087	112,292	68,138	--
14 KANSAS	1,820	47,171	59,421	12,250
15 MICHIGAN	5,538	164,697	180,808	16,111
16 MINNESOTA	2,597	98,075	84,789	--
17 MISSOURI	2,893	102,586	94,453	--
18 NEBRASKA	1,179	38,066	38,493	427
19 NORTH DAKOTA	552	22,450	18,022	--
20 OHIO	7,109	283,758	232,099	--
21 SOUTH DAKOTA	522	20,784	17,043	--
22 WISCONSIN	2,665	88,502	87,009	--
SOUTH STATES	41,860	\$ 1,147,375	\$ 1,366,672	\$ 259,712
23 ALABAMA	2,457	42,663	80,218	37,755
24 ARKANSAS	1,289	40,120	42,084	1,964
25 FLORIDA	5,844	208,751	190,799	--

ALL NOTES AND FOOTNOTES ARE ON PAGE 121

TABLE 7 (CONTINUED)

STATE AND REGION	NUMBER OF MOTOR VEHICLES REGISTERED, 1975	AMOUNT COLLECTED	POTENTIAL TAI YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL
SEER STATES (CONTINUED)				
26 GEORGIA	3,372	42,012	110,091	68,079
27 KENTUCKY	2,225	47,969	72,643	24,674
28 LOUISIANA	2,192	35,977	71,566	35,589
29 MARYLAND	2,424	73,321	79,140	5,819
30 MISSISSIPPI	1,379	20,835	45,022	24,187
31 NORTH CAROLINA	3,697	95,339	120,702	25,363
32 SOUTH CAROLINA	1,736	25,673	56,678	31,005
33 TENNESSEE	2,655	96,175	86,682	--
34 TEXAS	8,299	265,675	270,951	5,276
35 VIRGINIA	3,325	116,184	108,557	--
36 WEST VIRGINIA	966	36,881	31,539	--
MOUNTAIN STATES	9,227	\$ 301,673	\$ 301,249	\$ 34,403
37 ARIZONA	1,522	46,732	49,691	2,959
38 COLORADO	1,915	45,866	62,522	16,656
39 IDAHO	661	23,748	21,581	--
40 MONTANA	602	18,069	19,654	1,585
41 NEVADA	472	16,572	15,410	--
42 NEW MEXICO	791	27,322	25,825	--
43 OKLAHOMA	2,100	87,924	68,562	--
44 UTAH	844	14,353	27,555	13,202
45 WYOMING	320	21,087	10,448	--
PACIFIC STATES	18,920	\$ 522,561	\$ 617,712	\$ 117,823
46 ALASKA	210	11,370	6,856	--
47 CALIFORNIA	14,034	359,604	458,191	98,587
48 HAWAII	497	15,343	16,226	883
49 OREGON	1,642	71,767	53,609	--
50 WASHINGTON	2,537	64,477	82,830	18,353
DISTRICT OF COLUMBIA	264	\$ 16,400	\$ 8,619	--
ALL STATES INCLUDING DISTRICT OF COLUMBIA	133,727	\$ 4,366,006	\$ 4,366,006	\$ 529,540

TABLE 8
STATE AND LOCAL MOTOR FUEL TAX REVENUE,
FOR STATES, REGIONS AND THE UNITED STATES, 1976
(IN THOUSANDS)

STATE AND REGION	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL
NEW ENGLAND STATES	\$ 499,386	470,508	--
1 CONNECTICUT	139,530	132,753	--
2 MAINE	52,283	43,859	--
3 MASSACHUSETTS	206,530	203,567	--
4 NEW HAMPSHIRE	38,899	33,417	--
5 RHODE ISLAND	39,981	37,920	--
6 VERMONT	22,163	18,993	--
MIDDLE ATLANTIC STATES	\$ 1,282,870	1,276,879	10,763
7 DELAWARE	28,779	22,909	--
8 NEW JERSEY	285,892	278,493	--
9 NEW YORK	486,178	496,941	10,763
10 PENNSYLVANIA	482,021	478,536	--
NORTH CENTRAL STATES	\$ 2,340,737	2,394,180	165,275
11 ILLINOIS	390,487	417,250	26,763
12 INDIANA	248,743	217,208	--
13 IOWA	126,893	136,212	9,319
14 KANSAS	98,770	118,785	20,015
15 MICHIGAN	404,965	361,447	--
16 MINNESOTA	189,603	169,498	--
17 MISSOURI	196,648	188,817	--
18 NEBRASKA	84,007	76,949	--
19 NORTH DAKOTA	26,843	36,027	9,184
20 OHIO	375,949	463,981	88,032
21 SOUTH DAKOTA	35,854	34,069	--
22 WISCONSIN	161,975	173,936	11,961
SOUTH STATES	\$ 2,910,734	2,732,066	126,068
23 ALABAMA	178,288	160,360	--
24 ARKANSAS	113,884	84,129	--
25 FLORIDA	369,715	381,419	11,704

ALL NOTES AND FOOTNOTES ARE ON PAGE 121

TABLE 8 (CONTINUED)

STATE AND REGION	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL
SEEB STATES (CONTINUED)			
26 GEORGIA	234,184	220,079	--
27 KENTUCKY	176,017	145,219	--
28 LOUISIANA	165,524	143,065	--
29 MARYLAND	181,136	158,207	--
30 MISSISSIPPI	133,029	90,003	--
31 NORTH CAROLINA	278,479	241,291	--
32 SOUTH CAROLINA	134,144	113,303	--
33 TENNESSEE	183,122	173,283	--
34 TEXAS	427,285	541,649	114,364
35 VIRGINIA	254,071	217,012	--
36 WEST VIRGINIA	81,856	63,048	--
MOUNTAIN STATES	\$ 571,805	602,216	53,493
37 ARIZONA	106,335	99,336	--
38 COLORADO	99,179	124,986	25,807
39 IDAHO	38,492	43,141	4,649
40 MONTANA	41,245	39,291	--
41 NEVADA	34,055	30,806	--
42 NEW MEXICO	60,661	51,626	--
43 OKLAHOMA	117,256	137,060	19,804
44 UTAH	51,852	55,085	3,233
45 WYOMING	22,730	20,885	--
PACIFIC STATES	\$ 1,101,094	1,234,847	160,266
46 ALASKA	24,403	13,706	--
47 CALIFORNIA	776,756	915,953	139,197
48 HAWAII	41,500	32,438	--
49 OREGON	86,099	107,168	21,069
50 WASHINGTON	172,336	165,582	--
DISTRICT OF COLUMBIA	\$ 21,300	17,230	--
ALL STATES INCLUDING DISTRICT OF COLUMBIA	\$ 8,727,926	8,727,926	515,865

TABLE 9
 VALUE OF PRODUCTS SEVERED AND
 SEVERANCE TAX REVENUE,
 FOR STATES, REGIONS AND THE UNITED STATES, 1976
 (IN THOUSANDS)

STATE AND REGION	VALUE OF SEVERED PRODUCTS	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL
NEW ENGLAND STATES	\$ 368,571	\$ 103	\$ 16,141	\$ 16,038
1 CONNECTICUT	38,117	--	1,669	1,669
2 MAINE	91,676	--	4,015	4,015
3 MASSACHUSETTS	160,148	--	7,013	7,013
4 NEW HAMPSHIRE	15,369	103	673	570
5 RHODE ISLAND	26,412	--	1,157	1,157
6 VERMONT	36,849	--	1,614	1,614
MIDDLE ATLANTIC STATES	\$ 3,036,368	--	\$ 132,971	\$ 132,971
7 DELAWARE	5,935	--	260	260
8 NEW JERSEY	175,450	--	7,683	7,683
9 NEW YORK	476,245	--	20,857	20,857
10 PENNSYLVANIA	2,378,718	--	104,170	104,170
NORTH CENTRAL STATES	\$ 7,035,559	\$ 84,954	\$ 308,106	\$ 241,867
11 ILLINOIS	1,151,774	--	50,439	50,439
12 INDIANA	444,446	508	19,463	18,955
13 IOWA	178,733	--	7,827	7,827
14 KANSAS	889,875	785	38,970	38,185
15 MICHIGAN	1,048,748	7,065	45,927	38,862
16 MINNESOTA	1,029,033	58,171	45,044	--
17 MISSOURI	695,063	--	30,439	30,439
18 NEBRASKA	98,790	1,113	4,326	3,213
19 NORTH DAKOTA	159,510	12,594	6,985	--
20 OHIO	1,113,861	3,930	48,779	44,849
21 SOUTH DAKOTA	102,946	310	4,508	4,198
22 WISCONSIN	122,780	478	5,377	4,899
SOUTH STATES	\$ 32,324,130	\$ 1,544,627	\$ 1,415,559	\$ 266,122
23 ALABAMA	810,765	11,570	35,506	23,936
24 ARKANSAS	414,291	8,870	18,143	9,273
25 FLORIDA	1,137,310	47,377	49,806	2,429

ALL NOTES AND FOOTNOTES ARE ON PAGE 121

TABLE 9 (CONTINUED)

STATE AND REGION	VALUE OF SEVERED PRODUCTS	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL
SEEB STATES (CONTINUED)				
26 GEORGIA	397,171	--	17,393	17,393
27 KENTUCKY	2,568,175	91,496	112,467	20,971
28 LOUISIANA	8,287,018	558,495	362,910	--
29 MARYLAND	205,800	--	9,013	9,013
30 MISSISSIPPI	421,894	23,601	18,476	--
31 NORTH CAROLINA	195,451	--	8,559	8,559
32 SOUTH CAROLINA	126,232	--	5,528	5,528
33 TENNESSEE	402,972	1,818	17,647	15,829
34 TEXAS	13,842,790	800,693	606,212	--
35 VIRGINIA	1,109,359	707	48,582	47,875
36 WEST VIRGINIA	2,404,902	--	105,317	105,317
MOUNTAIN STATES	\$ 9,816,418	\$ 327,759	\$ 429,887	\$ 168,923
37 ARIZONA	1,564,874	--	68,530	68,530
38 COLORADO	750,674	4,375	32,874	28,499
39 IDAHO	210,169	394	9,204	8,810
40 MONTANA	576,301	31,344	25,238	--
41 NEVADA	257,882	148	11,293	11,145
42 NEW MEXICO	1,942,783	87,485	85,080	--
43 OKLAHOMA	2,124,376	151,316	93,032	--
44 UTAH	952,099	11,723	41,695	29,972
45 WYOMING	1,437,260	40,974	62,941	21,967
PACIFIC STATES	\$ 4,103,043	\$ 71,247	\$ 179,683	\$ 135,855
46 ALASKA	675,658	27,978	29,589	1,611
47 CALIFORNIA	2,988,622	2,334	130,880	128,546
48 HAWAII	49,606	--	2,172	2,172
49 OREGON	159,474	3,458	6,984	3,526
50 WASHINGTON	229,683	37,477	10,058	--
DISTRICT OF COLUMBIA	--	--	--	--
ALL STATES INCLUDING DISTRICT OF COLUMBIA	\$ 56,684,089	\$ 2,028,690	\$ 2,482,346	\$ 961,776

TABLE 10
STATE TRANSFER TAXES,
FOR STATES, REGIONS AND THE UNITED STATES, 1976
(IN THOUSANDS)

STATE AND REGION	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL
NEW ENGLAND STATES	\$ 11,325	36,977	26,274
1 CONNECTICUT	--	10,650	10,650
2 MAINE	589	2,599	1,910
3 MASSACHUSETTS	7,252	17,581	10,329
4 NEW HAMPSHIRE	1,080	2,220	1,140
5 RHODE ISLAND	496	2,741	2,245
6 VERMONT	1,808	1,186	--
MIDDLE ATLANTIC STATES	\$ 337,760	120,597	17,274
7 DELAWARE	7,735	1,951	--
8 NEW JERSEY	7,193	24,467	17,274
9 NEW YORK	267,489	59,038	--
10 PENNSYLVANIA	55,343	35,141	--
NORTH CENTRAL STATES	\$ 19,407	174,841	155,434
11 ILLINOIS	4,602	38,154	33,552
12 INDIANA	--	15,166	15,166
13 IOWA	1,958	8,693	6,735
14 KANSAS	--	6,928	6,928
15 MICHIGAN	--	28,770	28,770
16 MINNESOTA	9,371	11,319	1,948
17 MISSOURI	748	13,151	12,403
18 NEBRASKA	1,115	4,632	3,517
19 NORTH DAKOTA	--	1,753	1,753
20 OHIO	--	31,445	31,445
21 SOUTH DAKOTA	--	1,617	1,617
22 WISCONSIN	1,613	13,213	11,600
SEEB STATES	\$ 169,693	170,517	88,845
23 ALABAMA	4,558	8,531	3,973
24 ARKANSAS	1,735	4,963	3,228
25 FLORIDA	100,570	23,540	--

ALL NOTES AND FOOTNOTES ARE ON PAGE 121

TABLE 10 (CONTINUED)

STATE AND REGION	AMOUNT COLLECTED	POTENTIAL TAX YIELD AT AVERAGE RATE	UNUTILIZED POTENTIAL
SEEB STATES (CONTINUED)			
26 GEORGIA	3,800	12,659	8,859
27 KENTUCKY	2,053	8,423	6,370
28 LOUISIANA	--	9,442	9,442
29 MARYLAND	17,103	13,317	--
30 MISSISSIPPI	--	4,895	4,895
31 NORTH CAROLINA	--	13,539	13,539
32 SOUTH CAROLINA	5,893	6,614	721
33 TENNESSEE	12,877	10,427	--
34 TEXAS	--	35,272	35,272
35 VIRGINIA	19,173	14,418	--
36 WEST VIRGINIA	1,931	4,478	2,547
MOUNTAIN STATES	\$ 2,974	34,004	31,030
37 ARIZONA	--	5,989	5,989
38 COLORADO	--	7,699	7,699
39 IDAHO	--	2,146	2,146
40 MONTANA	--	2,016	2,016
41 NEVADA	796	2,005	1,209
42 NEW MEXICO	--	2,776	2,776
43 OKLAHOMA	2,178	7,170	4,992
44 UTAH	--	3,029	3,029
45 WYOMING	--	1,173	1,173
PACIFIC STATES	\$ 4,141	92,693	88,552
46 ALASKA	--	1,762	1,762
47 CALIFORNIA	--	70,189	70,189
48 HAWAII	828	2,821	1,993
49 OREGON	237	6,700	6,463
50 WASHINGTON	3,076	11,222	8,146
DISTRICT OF COLUMBIA	\$ 4,040	2,785	--
ALL STATES INCLUDING DISTRICT OF COLUMBIA	\$ 549,340	632,415	407,409

TABLE 11
OTHER TAX REVENUE
AND TOTAL STATE AND LOCAL TAX REVENUE,
FOR STATES, REGIONS AND THE UNITED STATES, 1976
(IN THOUSANDS)

STATE AND REGION	PARTNERSHIP TAXES	OTHER LICENSE TAXES	OTHER AND UNALLOCABLE TAXES	TOTAL STATE AND LOCAL TAXES
NEW ENGLAND STATES	\$ 67,727	\$ 96,973	\$ 40,908	\$ 9,906,347
1 CONNECTICUT	8,530	25,880	10,700	2,432,132
2 MAINE	1,301	15,132	1,600	718,510
3 MASSACHUSETTS	34,265	33,108	15,800	5,243,794
4 NEW HAMPSHIRE	16,806	11,407	5,600	495,327
5 RHODE ISLAND	4,548	5,598	3,967	661,739
6 VERMONT	2,277	5,848	3,241	354,845
MIDDLE ATLANTIC STATES	\$ 249,462	\$ 654,338	\$ 719,400	\$ 35,060,070
7 DELAWARE	7,785	94,280	3,900	456,081
8 NEW JERSEY	34,376	121,888	47,100	5,826,038
9 NEW YORK	180,314	100,028	170,500	20,614,469
10 PENNSYLVANIA	27,027	338,142	497,900	8,163,482
NORTH CENTRAL STATES	\$ 132,018	\$ 666,677	\$ 323,688	\$ 40,265,461
11 ILLINOIS	72,234	80,991	91,800	8,639,721
12 INDIANA	--	16,834	6,700	3,129,751
13 IOWA	--	24,717	9,400	2,058,843
14 KANSAS	--	22,232	12,300	1,543,636
15 MICHIGAN	27,901	203,534	34,700	6,893,239
16 MINNESOTA	--	40,930	31,192	3,277,688
17 MISSOURI	--	50,367	36,375	2,743,099
18 NEBRASKA	5,170	13,910	10,400	1,089,419
19 NORTH DAKOTA	--	7,979	5,900	430,976
20 OHIO	25,032	152,865	62,300	6,380,072
21 SOUTH DAKOTA	1,681	8,710	2,500	416,240
22 WISCONSIN	--	43,608	20,121	3,662,777
SOUTH STATES	\$ 146,068	\$ 875,269	\$ 502,435	\$ 37,329,045
23 ALABAMA	--	55,280	46,000	1,718,596
24 ARKANSAS	11,290	20,899	8,145	972,363
25 FLORIDA	80,259	83,572	50,100	8,871,407

ALL NOTES AND FOOTNOTES ARE ON PAGE 122

TABLE 11 (CONTINUED)

STATE AND REGION	PERMITUEL TAXES	OTHER LICENSE TAXES	OTHER AND UNALLOCABLE TAXES	TOTAL STATE AND LOCAL TAXES
SEEB STATES (CONTINUED)				
26 GEORGIA	--	27,655	40,109	2,762,907
27 KENTUCKY	10,772	28,628	10,500	1,893,335
28 LOUISIANA	10,489	77,999	28,700	2,364,276
29 MARYLAND	20,445	22,362	75,389	3,378,204
30 MISSISSIPPI	--	38,273	4,800	1,165,479
31 NORTH CAROLINA	--	83,902	17,300	2,944,351
32 SOUTH CAROLINA	--	21,828	24,500	1,424,585
33 TENNESSEE	--	93,598	34,777	2,188,215
34 TEXAS	--	267,875	23,000	7,433,273
35 VIRGINIA	--	42,057	103,715	3,137,124
36 WEST VIRGINIA	12,813	11,341	35,400	1,078,930
MOUNTAIN STATES	\$ 15,928	\$ 164,488	\$ 95,513	\$ 8,479,845
37 ARIZONA	6,697	15,267	11,800	1,726,605
38 COLORADO	6,685	27,180	25,078	1,908,444
39 IDAHO	319	17,806	2,600	503,723
40 MONTANA	--	13,029	2,412	542,472
41 NEVADA	187	27,991	27,100	504,421
42 NEW MEXICO	2,030	10,590	9,500	701,571
43 OKLAHOMA	--	32,804	8,823	1,507,218
44 UTAH	--	9,717	5,900	749,934
45 WYOMING	10	10,104	2,300	335,457
PACIFIC STATES	\$ 108,047	\$ 241,600	\$ 408,137	\$ 26,736,306
46 ALASKA	--	9,012	4,737	728,806
47 CALIFORNIA	98,319	137,290	334,100	20,749,579
48 HAWAII	--	4,963	4,500	834,698
49 OREGON	4,455	40,108	21,100	1,689,493
50 WASHINGTON	5,273	50,227	43,700	2,733,730
DISTRICT OF COLUMBIA	--	--	\$ 35,000	\$ 648,640
ALL STATES INCLUDING DISTRICT OF COLUMBIA	\$ 719,250	\$ 2,699,345	\$ 2,125,081	\$158,425,718

TABLE 12
SUMMARY OF UNUTILIZED POTENTIAL, 1976
(IN THOUSANDS)

STATE AND REGION	GENERAL SALES AND GROSS RECEIPTS TAXES		SELECTIVE SALES AND GROSS RECEIPTS TAXES		DEATH AND GIFT TAXES	GENERAL PROPERTY TAXES	INCOME TAXES	
							INDIVIDUAL	CORPORATE
NEW ENGLAND STATES	\$ 748,026	\$ 219,082	\$ 323	--	--	\$ 667,620	\$ 5,442	
1 CONNECTICUT	7,966	39,506	--	--	--	458,136	--	
2 MAINE	--	17,730	--	--	--	71,931	42	
3 MASSACHUSETTS	561,469	137,145	--	--	--	--	--	
4 NEW HAMPSHIRE	114,825	13,015	--	--	--	99,846	3,772	
5 RHODE ISLAND	30,442	11,687	--	--	--	37,707	--	
6 VERMONT	33,323	--	323	--	--	--	1,628	
MIDDLE ATLANTIC STATES	\$ 952,390	\$ 330,260	--	\$ 1,184,360	\$ 1,228,706	\$ 80,399		
7 DELAWARE	100,908	8,274	--	100,143	--	1,673		
8 NEW JERSEY	429,368	101,476	--	--	1,067,286	78,726		
9 NEW YORK	--	95,458	--	--	--	--	--	
10 PENNSYLVANIA	422,115	125,051	--	1,084,217	161,420	--		
NORTH CENTRAL STATES	\$ 1,449,587	\$ 1,194,092	\$ 145,431	\$ 1,151,393	\$ 2,065,879	\$ 594,307		
11 ILLINOIS	--	209,862	22,859	250,443	605,542	167,684		
12 INDIANA	--	226,272	14,432	169,394	296,563	105,238		
13 IOWA	97,739	78,926	--	--	26,923	31,484		
14 KANSAS	51,554	38,841	3,712	--	137,114	--		
15 MICHIGAN	418,106	333,561	35,930	--	83,786	27,319		
16 MINNESOTA	156,332	415	--	12,369	--	--		
17 MISSOURI	32,841	65,456	13,356	254,304	213,623	81,706		
18 NEBRASKA	58,123	25,088	9,474	--	115,481	29,738		
19 NORTH DAKOTA	--	13,810	1,734	21,436	24,922	7,468		
20 OHIO	538,362	121,048	43,972	443,447	484,668	130,384		
21 SOUTH DAKOTA	--	5,257	--	--	77,216	18,286		
22 WISCONSIN	98,532	75,556	--	--	--	--		
SOUTH STATES	\$ 723,870	\$ 540,694	\$ 162,379	\$ 5,183,294	\$ 4,467,215	\$ 854,632		
23 ALABAMA	--	2,730	15,708	558,612	164,501	46,971		
24 ARKANSAS	15,863	27,492	9,821	233,882	89,346	6,220		
25 FLORIDA	--	29,556	18,920	510,310	1,124,206	115,292		

ALL NOTES AND FOOTNOTES ARE ON PAGE 122

TABLE 12 (CONTINUED)

STATE AND REGION	GENERAL SALES AND GROSS RECEIPTS TAXES		SELECTIVE SALES AND GROSS RECEIPTS TAXES		DEATH AND GIFT TAXES	GENERAL PROPERTY TAXES	INCOME TAXES	
							INDIVIDUAL	CORPORATE
SMB STATES (CONTINUED)								
26 GEORGIA	--		63,385		24,748	256,643	191,346	26,448
27 KENTUCKY	26,475		61,345		3,923	400,202	15,016	--
28 LOUISIANA	--		34,861		9,229	504,408	333,283	30,999
29 MARYLAND	269,406		74,397		16,583	208,424	--	58,217
30 MISSISSIPPI	--		33,459		7,297	183,152	128,337	20,424
31 NORTH CAROLINA	108,211		72,780		2,719	508,309	41,784	13,599
32 SOUTH CAROLINA	--		24,207		7,597	266,462	71,339	3,445
33 TENNESSEE	--		21,419		--	394,082	475,812	2,500
34 TEXAS	75,524		13,971		26,832	517,206	1,684,483	443,567
35 VIRGINIA	228,390		51,050		16,021	430,914	74,000	50,902
36 WEST VIRGINIA	--		30,034		2,980	210,690	73,761	36,050
MOUNTAIN STATES	\$ 215,505	\$ 180,811	\$ 27,888	\$ 546,622	\$ 545,809	\$ 160,078		
37 ARIZONA	--		20,979		9,957	--	123,170	28,822
38 COLORADO	--		64,185		1,141	--	47,281	27,217
39 IDAHO	22,121		20,070		1,612	35,462	3,659	--
40 MONTANA	104,270		13,971		--	--	--	2,331
41 NEVADA	--		6,325		4,844	14,790	95,772	25,219
42 NEW MEXICO	--		18,245		4,853	130,497	74,398	11,410
43 OKLAHOMA	89,115		--		--	303,694	141,441	36,743
44 UTAH	--		25,143		3,855	62,179	4,078	13,586
45 WYOMING	--		11,893		1,626	--	56,012	18,749
PACIFIC STATES	\$ 408,746	\$ 805,780	\$ 7,657	\$ 259,680	\$ 930,143	\$ 158,836		
46 ALASKA	62,219		13,174		4,097	--	--	--
47 CALIFORNIA	--		705,220		--	--	394,220	--
48 HAWAII	--		14,183		3,560	100,344	--	119
49 OREGON	346,527		57,729		--	--	--	17,596
50 WASHINGTON	--		15,473		--	159,335	535,923	141,122
DISTRICT OF COLUMBIA	\$ 26,669	\$ 5,971	--	\$ 103,857	--	--	--	--
ALL STATES INCLUDING DISTRICT OF COLUMBIA	\$ 4,514,794	\$ 3,276,690	\$ 343,677	\$ 8,429,205	\$ 9,905,372	\$ 1,853,694		

TABLE 12 (CONTINUED)

LICENSE TAXES						
STATE AND REGION	ALCOHOLIC BEVERAGE	MOTOR VEHICLE	MOTOR FUEL TAXES	SEVERANCE TAXES	TRANSFER TAXES	TOTAL UNUTILIZED POTENTIAL
NEW ENGLAND STATES	\$ 4,387	\$ 65,878	--	\$ 16,038	\$ 26,274	\$ 1,753,069
1 CONNECTICUT	--	7,229	--	1,669	10,650	525,157
2 MAINE	--	1,658	--	4,015	1,910	97,285
3 MASSACHUSETTS	3,793	58,423	--	7,013	10,329	774,172
4 NEW HAMPSHIRE	20	--	--	570	1,140	233,187
5 RHODE ISLAND	575	2,568	--	1,157	2,245	84,381
6 VERMONT	--	--	--	1,614	--	34,887
MIDDLE ATLANTIC STATES	\$ 3,877	--	\$ 10,763	\$ 132,971	\$ 17,274	\$ 3,940,999
7 DELAWARE	85	--	--	260	--	211,343
8 NEW JERSEY	3,793	--	--	7,683	17,274	1,765,606
9 NEW YORK	--	--	10,763	20,857	--	127,078
10 PENNSYLVANIA	--	--	--	104,170	--	1,896,972
NORTH CENTRAL STATES	\$ 17,482	\$ 51,723	\$ 165,275	\$ 241,867	\$ 155,434	\$ 7,232,472
11 ILLINOIS	8,332	--	26,763	50,439	33,552	1,375,517
12 INDIANA	--	22,936	--	18,955	15,166	868,957
13 IOWA	--	--	9,319	7,827	6,735	258,953
14 KANSAS	836	12,250	20,015	38,185	6,928	311,434
15 MICHIGAN	--	16,111	--	38,862	28,770	982,447
16 MINNESOTA	2,462	--	--	--	1,948	173,526
17 MISSOURI	1,157	--	--	30,439	12,403	705,280
18 NEBRASKA	1,007	427	--	3,213	3,517	242,038
19 NORTH DAKOTA	226	--	9,184	--	1,753	75,532
20 OHIO	--	--	88,032	44,849	31,445	1,926,206
21 SOUTH DAKOTA	289	--	--	4,198	1,617	106,863
22 WISCONSIN	3,172	--	11,961	4,899	11,600	205,719
SARB STATES	\$ 15,445	\$ 259,712	\$ 126,068	\$ 266,122	\$ 88,885	\$ 12,688,277
23 ALABAMA	--	37,755	--	23,936	3,973	854,185
24 ARKANSAS	489	1,964	--	9,273	3,228	397,579
25 FLORIDA	--	--	11,704	2,429	--	1,812,417

TABLE 12 (CONTINUED)

LICENSE TAXES						
STATE AND REGION	ALCOHOLIC BEVERAGE	MOTOR VEHICLE	MOTOR FUEL TAXES	SEVERANCE TAXES	TRANSFER TAXES	TOTAL UNUTILIZED POTENTIAL
SEEB STATES (CONTINUED)						
26 GEORGIA	2,451	68,079	--	17,393	8,859	659,351
27 KENTUCKY	931	24,674	--	20,971	6,370	559,908
28 LOUISIANA	1,044	35,589	--	--	9,442	958,854
29 MARYLAND	3,055	5,819	--	9,013	--	644,914
30 MISSISSIPPI	--	24,187	--	--	4,895	401,752
31 NORTH CAROLINA	2,838	25,363	--	8,559	13,539	797,709
32 SOUTH CAROLINA	--	31,005	--	5,528	721	410,304
33 TENNESSEE	1,714	--	--	15,829	--	911,356
34 TEXAS	835	5,276	114,364	--	35,272	2,917,330
35 VIRGINIA	2,089	--	--	47,875	--	901,240
36 WEST VIRGINIA	--	--	--	105,317	2,547	461,379
MOUNTAIN STATES	\$ 2,896	\$ 34,403	\$ 53,493	\$ 168,923	\$ 31,030	\$ 1,967,459
37 ARIZONA	--	2,959	--	68,530	5,981	260,406
38 COLORADO	357	16,656	25,807	28,499	7,699	218,842
39 IDAHO	--	--	4,649	8,810	2,146	28,528
40 MONTANA	--	1,585	--	--	2,016	124,174
41 NEVADA	475	--	--	11,145	1,209	159,780
42 NEW MEXICO	376	--	--	--	2,776	242,554
43 OKLAHOMA	762	--	19,804	--	4,992	596,551
44 UTAH	647	13,202	3,233	29,972	3,029	158,925
45 WYOMING	279	--	--	21,967	1,173	107,700
PACIFIC STATES	\$ 1,374	\$ 117,823	\$ 160,266	\$ 135,855	\$ 88,552	\$ 3,074,712
46 ALASKA	--	--	--	1,611	1,762	82,862
47 CALIFORNIA	--	98,587	139,197	128,546	70,189	1,535,960
48 HAWAII	695	883	--	2,172	1,993	123,945
49 OREGON	679	--	21,069	3,526	6,463	453,589
50 WASHINGTON	--	18,353	--	--	8,146	878,352
DISTRICT OF COLUMBIA	--	--	--	--	--	\$ 136,497
ALL STATES INCLUDING DISTRICT OF COLUMBIA	\$ 45,463	\$ 529,540	\$ 515,865	\$ 961,776	\$ 407,409	\$ 30,793,485

TABLE 13

GENERAL SALES AND GROSS RECEIPTS TAXES, COLLECTIONS AND ADDITIONAL
REVENUE POSSIBLE BY COLLECTIONS OF UNUTILIZED POTENTIAL AMOUNTS,
PER CAPITA AND PER \$1000 OF PERSONAL INCOME, 1976

STATE AND REGION	PER CAPITA			PER \$1000 OF PERSONAL INCOME		
	ACTUAL COLLECTIONS	UNUTILIZED POTENTIAL	AMOUNT POSSIBLE	ACTUAL COLLECTIONS	UNUTILIZED POTENTIAL	AMOUNT POSSIBLE
ALL STATES INCLUDING DISTRICT OF COLUMBIA	\$149.28	\$ 21.08	\$170.36	\$ 24.22	\$ 3.42	\$ 27.64
NEW ENGLAND STATES	96.67	61.21	157.88	15.27	9.67	24.94
MIDDLE ATLANTIC STATES	156.83	25.15	181.98	23.53	3.77	27.31
NORTH CENTRAL STATES	135.11	25.11	160.22	21.33	3.96	25.29
MOUNTAIN STATES	161.55	17.10	178.65	28.61	3.03	31.64
PACIFIC STATES	207.55	14.23	221.78	30.75	2.11	32.85
SEEN STATES	138.99	11.17	150.16	25.25	2.03	27.27
23 ALABAMA	140.88	--	140.88	28.93	--	28.93
24 ARKANSAS	114.20	7.52	121.73	23.19	1.53	24.72
25 FLORIDA	148.92	--	148.92	25.46	--	25.46
26 GEORGIA	134.90	--	134.90	25.31	--	25.31
27 KENTUCKY	119.37	7.72	127.09	23.22	1.50	24.72
28 LOUISIANA	185.15	--	185.15	36.00	--	36.00
29 MARYLAND	101.21	65.01	166.22	15.05	9.67	24.72
30 MISSISSIPPI	180.47	--	180.47	41.48	--	41.48
31 NORTH CAROLINA	108.26	19.79	128.04	20.90	3.82	24.72
32 SOUTH CAROLINA	130.83	--	130.83	26.92	--	26.92
33 TENNESSEE	172.81	--	172.81	33.38	--	33.38
34 TEXAS	140.05	6.05	146.10	23.70	1.02	24.72
35 VIRGINIA	102.82	45.39	148.20	17.15	7.57	24.72
36 WEST VIRGINIA	220.67	--	220.67	42.88	--	42.88

ALL NOTES AND FOOTNOTES ARE ON PAGE 122

TABLE 14

SELECTIVE SALES AND GROSS RECEIPTS TAXES, COLLECTIONS AND ADDITIONAL
REVENUE POSSIBLE BY COLLECTIONS OF UNUTILIZED POTENTIAL AMOUNTS,
PER CAPITA AND PER \$1000 OF PERSONAL INCOME, 1976

STATE AND REGION	PER CAPITA			PER \$1000 OF PERSONAL INCOME		
	ACTUAL COLLECTIONS	UNUTILIZED POTENTIAL	AMOUNT POSSIBLE	ACTUAL COLLECTIONS	UNUTILIZED POTENTIAL	AMOUNT POSSIBLE
ALL STATES INCLUDING DISTRICT OF COLUMBIA	\$ 68.33	\$ 15.26	\$ 83.60	\$ 11.09	\$ 2.48	\$ 13.56
NEW ENGLAND STATES	79.27	17.93	97.20	12.52	2.83	15.35
MIDDLE ATLANTIC STATES	76.55	8.72	85.27	11.49	1.31	12.80
NORTH CENTRAL STATES	56.23	20.68	76.91	8.88	3.26	12.14
MOUNTAIN STATES	63.92	14.35	78.27	11.32	2.54	13.86
PACIFIC STATES	56.06	28.05	84.11	8.30	4.15	12.46
SEED STATES	77.96	8.34	86.30	14.16	1.52	15.68
23 ALABAMA	93.53	0.74	94.27	19.20	0.15	19.36
24 ARKANSAS	50.40	13.04	63.44	10.24	2.65	12.88
25 FLORIDA	99.15	3.51	102.66	16.95	0.60	17.55
26 GEORGIA	61.96	12.75	74.71	11.63	2.39	14.02
27 KENTUCKY	63.63	17.90	81.52	12.38	3.48	15.86
28 LOUISIANA	54.42	9.08	63.50	10.58	1.76	12.35
29 MARYLAND	74.62	17.95	92.57	11.10	2.67	13.77
30 MISSISSIPPI	46.41	14.21	60.62	10.67	3.27	13.93
31 NORTH CAROLINA	68.26	13.31	81.57	13.18	2.57	15.75
32 SOUTH CAROLINA	61.59	8.50	70.09	12.67	1.75	14.42
33 TENNESSEE	73.43	5.08	78.51	14.18	0.98	15.16
34 TEXAS	93.83	1.12	94.95	15.88	0.19	16.07
35 VIRGINIA	89.41	10.15	99.56	14.91	1.69	16.61
36 WEST VIRGINIA	73.87	16.49	90.36	14.36	3.21	17.56

ALL NOTES AND FOOTNOTES ARE ON PAGE 122

TABLE 15

GENERAL PROPERTY TAXES, COLLECTIONS AND ADDITIONAL
REVENUE POSSIBLE BY COLLECTIONS OF UNUTILIZED POTENTIAL AMOUNTS,
PER CAPITA AND PER \$1000 OF PERSONAL INCOME, 1976

STATE AND REGION	PER CAPITA			PER \$1000 OF PERSONAL INCOME		
	ACTUAL COLLECTIONS	UNUTILIZED POTENTIAL	AMOUNT POSSIBLE	ACTUAL COLLECTIONS	UNUTILIZED POTENTIAL	AMOUNT POSSIBLE
ALL STATES INCLUDING DISTRICT OF COLUMBIA	\$265.55	\$ 39.27	\$304.81	\$ 43.08	\$ 6.37	\$ 49.45
NEW ENGLAND STATES	382.45	--	382.45	60.41	--	60.41
MIDDLE ATLANTIC STATES	340.19	31.28	371.47	51.05	4.69	55.74
NORTH CENTRAL STATES	264.23	19.94	284.18	41.70	3.15	44.85
MOUNTAIN STATES	217.42	43.39	260.81	38.50	7.68	46.18
PACIFIC STATES	386.97	9.04	396.01	57.32	1.34	58.66
SEED STATES	157.18	79.99	237.17	28.55	14.53	43.08
23 ALABAMA	57.38	152.42	209.79	11.78	31.30	43.08
24 ARKANSAS	101.22	110.90	212.12	20.56	22.52	43.08
25 FLORIDA	191.36	60.60	251.96	32.72	10.36	43.08
26 GEORGIA	177.93	51.64	229.57	33.39	9.69	43.08
27 KENTUCKY	104.73	116.74	221.47	20.37	22.71	43.08
28 LOUISIANA	90.25	131.32	221.57	17.45	25.53	43.08
29 MARYLAND	239.36	50.30	289.65	35.60	7.48	43.08
30 MISSISSIPPI	109.60	77.80	187.41	25.19	17.88	43.08
31 NORTH CAROLINA	130.19	92.94	223.13	25.13	17.94	43.08
32 SOUTH CAROLINA	115.76	93.56	209.32	23.82	19.25	43.08
33 TENNESSEE	129.50	93.52	223.01	25.01	18.06	43.08
34 TEXAS	213.18	41.42	254.60	36.07	7.01	43.08
35 VIRGINIA	172.63	85.63	258.26	28.79	14.28	43.08
36 WEST VIRGINIA	105.96	115.70	221.66	20.59	22.49	43.08

ALL NOTES AND FOOTNOTES ARE ON PAGE 122 101

TABLE 16
INDIVIDUAL INCOME TAXES, COLLECTIONS AND ADDITIONAL
REVENUE POSSIBLE BY COLLECTIONS OF UNUTILIZED POTENTIAL AMOUNTS,
PER CAPITA AND PER \$1000 OF PERSONAL INCOME, 1976

STATE AND REGION	PER CAPITA			PER \$1000 OF PERSONAL INCOME		
	ACTUAL COLLECTIONS	UNUTILIZED POTENTIAL	AMOUNT POSSIBLE	ACTUAL COLLECTIONS	UNUTILIZED POTENTIAL	AMOUNT POSSIBLE
ALL STATES INCLUDING DISTRICT OF COLUMBIA	\$114.09	\$ 46.14	\$160.23	\$ 18.51	\$ 7.49	\$ 25.99
NEW ENGLAND STATES	120.87	54.63	175.50	19.09	8.63	27.72
MIDDLE ATLANTIC STATES	182.67	32.45	215.13	27.41	4.87	32.28
NORTH CENTRAL STATES	119.88	35.78	155.66	18.92	5.65	24.57
MOUNTAIN STATES	85.67	43.32	128.99	15.17	7.67	22.84
PACIFIC STATES	130.91	32.38	163.29	19.38	4.80	24.19
SEED STATES	64.49	68.94	133.42	11.71	12.52	24.23
23 ALABAMA	66.27	40.88	111.16	13.61	9.22	22.82
24 ARKANSAS	70.03	42.36	112.39	14.22	8.60	22.82
25 FLORIDA	--	133.50	133.50	--	22.82	22.82
26 GEORGIA	83.14	38.50	121.64	15.60	7.22	22.82
27 KENTUCKY	112.97	4.38	117.35	21.97	0.85	22.82
28 LOUISIANA	30.63	86.77	117.40	5.95	16.87	22.82
29 MARYLAND	274.82	--	274.82	40.87	--	40.87
30 MISSISSIPPI	44.78	54.52	99.30	10.29	12.53	22.82
31 NORTH CAROLINA	110.59	7.64	118.23	21.35	1.48	22.82
32 SOUTH CAROLINA	85.86	25.05	110.91	17.67	5.15	22.82
33 TENNESSEE	5.25	112.91	118.16	1.01	21.81	22.82
34 TEXAS	--	134.90	134.90	--	22.82	22.82
35 VIRGINIA	122.13	14.71	136.84	20.37	2.45	22.82
36 WEST VIRGINIA	76.94	40.51	117.44	14.95	7.87	22.82

ALL NOTES AND FOOTNOTES ARE ON PAGE 122

TABLE 17

CORPORATE INCOME TAXES, COLLECTIONS AND ADDITIONAL
REVENUE POSSIBLE BY COLLECTIONS OF UNUTILIZED POTENTIAL AMOUNTS,
PER CAPITA AND PER \$1000 OF PERSONAL INCOME, 1976

STATE AND REGION	PER CAPITA			PER \$1000 OF PERSONAL INCOME		
	ACTUAL COLLECTIONS	UNUTILIZED POTENTIAL	AMOUNT POSSIBLE	ACTUAL COLLECTIONS	UNUTILIZED POTENTIAL	AMOUNT POSSIBLE
ALL STATES INCLUDING DISTRICT OF COLUMBIA	\$ 34.14	\$ 5.64	\$ 42.78	\$ 5.54	\$ 1.40	\$ 6.94
NEW ENGLAND STATES	47.02	0.45	47.47	7.43	0.07	7.50
MIDDLE ATLANTIC STATES	52.86	2.12	54.98	7.93	0.32	8.25
NORTH CENTRAL STATES	29.24	10.29	39.54	4.62	1.62	6.24
MOUNTAIN STATES	21.61	12.71	34.32	3.83	2.25	6.08
PACIFIC STATES	49.33	5.53	54.86	7.31	0.82	8.13
SIX STATES	20.35	13.19	33.54	3.70	2.40	6.09
23 ALABAMA	16.45	12.82	29.27	3.38	2.63	6.01
24 ARKANSAS	26.65	2.95	29.60	5.41	0.60	6.01
25 FLORIDA	21.46	13.69	35.15	3.67	2.34	6.01
26 GEORGIA	26.71	5.32	32.03	5.01	1.00	6.01
27 KENTUCKY	39.32	--	39.32	7.65	--	7.65
28 LOUISIANA	22.84	8.07	30.91	4.44	1.57	6.01
29 MARYLAND	26.36	14.05	40.41	3.92	2.09	6.01
30 MISSISSIPPI	17.47	8.68	26.15	4.02	1.99	6.01
31 NORTH CAROLINA	28.65	2.49	31.13	5.53	0.48	6.01
32 SOUTH CAROLINA	28.00	1.21	29.21	5.76	0.25	6.01
33 TENNESSEE	30.52	0.59	31.12	5.90	0.11	6.01
34 TEXAS	--	35.52	35.52	--	6.01	6.01
35 VIRGINIA	25.92	10.12	36.03	4.32	1.69	6.01
36 WEST VIRGINIA	11.13	19.80	30.93	2.16	3.85	6.01

ALL NOTES AND FOOTNOTES ARE ON PAGE 122

TABLE 18

STATE AND LOCAL TAX COLLECTIONS BY SOURCE AS PERCENTAGES OF TOTAL COLLECTIONS, FOR SEED STATES, REGIONS AND THE UNITED STATES, 1976

STATE AND REGION	GENERAL SALES AND GROSS RECEIPTS	SELECTIVE SALES AND GROSS RECEIPTS	GENERAL PROPERTY TAXES	INCOME TAXES		OTHER
				INDIVIDUAL	CORPORATE	
ALL STATES INCLUDING DISTRICT OF COLUMBIA	70.24	9.3%	36.0%	15.5%	4.6%	14.5%
NEW ENGLAND STATES	11.9	9.8	47.2	14.9	5.8	10.4
MIDDLE ATLANTIC STATES	18.9	8.3	36.7	19.7	5.7	12.6
NORTH CENTRAL STATES	9.4	8.1	37.9	17.2	4.2	13.3
MOUNTAIN STATES	24.0	9.5	32.3	12.7	3.2	18.3
PACIFIC STATES	22.3	6.0	41.6	14.1	5.3	10.7
SEED STATES	24.1	13.5	27.3	11.2	3.5	20.3
23 ALABAMA	30.0	19.9	12.2	14.1	3.5	20.1
24 ARKANSAS	24.8	10.9	22.0	15.2	5.8	21.4
25 FLORIDA	25.7	17.1	33.1	--	3.7	20.3
26 GEORGIA	24.3	11.1	32.0	15.0	4.8	12.8
27 KENTUCKY	21.6	11.5	19.0	20.5	7.1	20.3
28 LOUISIANA	30.1	8.8	14.7	5.0	3.7	37.7
29 MARYLAND	12.4	9.2	29.4	33.8	3.2	12.0
30 MISSISSIPPI	36.5	9.4	22.1	9.0	3.5	19.5
31 NORTH CAROLINA	20.1	12.7	24.2	20.5	5.3	17.2
32 SOUTH CAROLINA	26.2	12.3	23.1	17.2	5.6	15.6
33 TENNESSEE	33.3	14.1	24.9	1.0	5.9	20.8
34 TEXAS	23.5	15.8	35.6	--	--	24.9
35 VIRGINIA	16.5	14.3	27.7	19.6	4.2	17.7
36 WEST VIRGINIA	37.2	12.5	17.9	13.0	1.9	17.5

ALL NOTES AND FOOTNOTES ARE ON PAGE 122

TABLE 19

TOTAL TAX REVENUES AS A PERCENT OF PERSONAL INCOME AND AS A PERCENT OF GENERAL REVENUES, AND FEDERAL AIDS AS A PERCENT OF GENERAL REVENUES, FOR STATES, REGIONS, AND THE UNITED STATES, 1976

STATE AND REGION	TAXES AS A PERCENT OF		FEDERAL AIDS AS A PERCENT OF GENERAL REVENUES	TAX BURDEN INDEX
	PERSONAL INCOME	GENERAL REVENUES FROM OWN SOURCE		
NEW ENGLAND STATES	12.8	--	--	--
1 CONNECTICUT	10.9	87.3	10.4	49
2 MAINE	13.2	77.6	15.8	3
3 MASSACHUSETTS	14.3	85.5	13.6	12
4 NEW HAMPSHIRE	10.7	85.0	10.1	30
5 RHODE ISLAND	11.5	90.2	20.3	31
6 VERMONT	14.3	87.2	9.8	1
MIDDLE ATLANTIC STATES	13.9	--	--	--
7 DELAWARE	11.2	57.5	24.0	47
8 NEW JERSEY	11.4	85.0	9.4	46
9 NEW YORK	16.7	79.7	9.9	6
10 PENNSYLVANIA	11.1	75.0	16.9	35
NORTH CENTRAL STATES	11.0	--	--	--
11 ILLINOIS	10.8	78.0	9.4	50
12 INDIANA	9.9	70.2	9.9	45
13 IOWA	11.3	67.9	12.1	37
14 KANSAS	10.6	69.7	9.4	43
15 MICHIGAN	11.5	70.6	14.7	40
16 MINNESOTA	13.8	63.2	13.0	9
17 MISSOURI	10.0	72.1	13.6	41
18 NEBRASKA	11.2	71.5	9.8	33
19 NORTH DAKOTA	11.8	65.5	10.9	21
20 OHIO	9.7	68.8	10.0	48
21 SOUTH DAKOTA	12.3	79.4	12.1	5
22 WISCONSIN	13.2	67.9	10.3	14
SOUTH STATES	10.5	--	--	--
23 ALABAMA	9.6	49.3	16.3	25
24 ARKANSAS	9.4	51.2	18.9	28
25 FLORIDA	9.9	55.8	12.3	44

ALL NOTES AND FOOTNOTES ARE ON PAGE 122

TABLE 19 (CONTINUED)

STATE AND REGION	TAXES AS A PERCENT OF		FEDERAL AIDS AS A PERCENT OF GENERAL REVENUES	TAX BURDEN INDEX
	PERSONAL INCOME	GENERAL REVENUES FROM ONE SOURCE		
SEED STATES (CONTINUED)				
26 GEORGIA	10.4	57.1	13.2	26
27 KENTUCKY	10.7	62.6	17.3	14
28 LOUISIANA	12.0	62.9	17.8	8
29 MARYLAND	12.1	74.9	15.1	34
30 MISSISSIPPI	11.4	48.4	17.2	2
31 NORTH CAROLINA	10.4	65.7	18.3	23
32 SOUTH CAROLINA	10.3	55.0	15.5	17
33 TENNESSEE	10.0	62.7	16.1	27
34 TEXAS	10.1	67.4	11.8	42
35 VIRGINIA	10.4	76.4	15.2	39
36 WEST VIRGINIA	11.5	59.6	14.4	13
MOUNTAIN STATES	11.9	--	--	--
37 ARIZONA	13.8	71.5	13.2	4
38 COLORADO	11.8	73.0	10.9	29
39 IDAHO	11.2	62.9	13.8	19
40 MONTANA	12.9	73.8	9.6	10
41 NEVADA	12.0	59.2	8.7	38
42 NEW MEXICO	12.1	54.7	29.2	7
43 OKLAHOMA	10.0	62.3	16.5	32
44 UTAH	11.8	67.5	12.0	11
45 WYOMING	13.7	62.9	6.2	15
PACIFIC STATES	13.8	--	--	--
46 ALASKA	19.8	59.8	11.4	22
47 CALIFORNIA	14.1	75.3	9.6	20
48 HAWAII	14.1	81.6	29.0	16
49 OREGON	12.1	72.1	13.4	24
50 WASHINGTON	11.6	56.3	14.1	36
DISTRICT OF COLUMBIA	11.1	82.1	50.7	51
ALL STATES INCLUDING DISTRICT OF COLUMBIA	12.0	--	--	--

TABLE 20

FEDERAL INCOME TAX RETURNS, PERCENTAGES OF TOTAL NUMBER, BY ADJUSTED GROSS INCOME CLASS, FOR STATES, REGIONS, AND THE UNITED STATES, 1972

STATE AND REGION	UNDER \$5,000	\$5,000- 9,999	\$10,000- 19,999	\$20,000- 49,999	\$50,000 OR MORE	NUMBER OF RETURNS
NEW ENGLAND STATES	34.2	26.8	30.7	7.3	0.9	4,766,528
1 CONNECTICUT	30.7	24.5	33.7	9.7	1.3	1,127,427
2 MAINE	39.9	33.3	22.7	3.8	0.4	371,129
3 MASSACHUSETTS	34.2	26.6	31.0	7.4	0.8	2,317,811
4 NEW HAMPSHIRE	35.4	29.1	29.5	5.5	0.5	316,878
5 RHODE ISLAND	36.7	27.0	30.2	5.5	0.6	359,083
6 VERMONT	39.8	28.3	27.2	4.3	0.3	184,200
MIDDLE ATLANTIC STATES	31.7	27.3	31.5	8.6	1.0	14,533,639
7 DELAWARE	31.9	24.5	33.5	9.3	0.9	220,033
8 NEW JERSEY	31.5	24.2	32.7	10.6	1.1	2,908,163
9 NEW YORK	31.7	27.0	30.6	9.5	1.1	6,943,381
10 PENNSYLVANIA	31.9	29.8	31.8	5.9	0.7	4,462,062
NORTH CENTRAL STATES	33.0	26.5	32.5	7.3	0.7	21,351,776
11 ILLINOIS	30.3	25.8	33.8	9.2	0.9	4,331,601
12 INDIANA	33.7	25.9	33.3	6.6	0.6	1,942,712
13 IOWA	35.1	28.6	30.1	5.6	0.5	1,054,887
14 KANSAS	36.3	28.1	28.7	6.2	0.7	828,237
15 MICHIGAN	28.9	25.3	35.3	9.7	0.8	3,270,194
16 MINNESOTA	36.9	25.8	30.1	6.6	0.6	1,437,956
17 MISSOURI	35.5	27.8	29.8	6.2	0.7	1,724,198
18 NEBRASKA	37.3	29.0	27.6	5.6	0.6	577,225
19 NORTH DAKOTA	42.6	31.8	22.0	3.3	0.3	233,690
20 OHIO	33.0	26.2	33.8	6.2	0.7	4,027,089
21 SOUTH DAKOTA	45.9	29.1	21.4	3.3	0.3	237,029
22 WISCONSIN	33.6	27.5	32.4	6.0	0.6	1,686,987
SREB STATES	38.0	28.8	26.3	6.2	0.7	21,377,056
23 ALABAMA	40.4	28.1	26.0	4.9	0.6	1,104,584
24 ARKANSAS	43.6	30.5	21.8	3.6	0.5	637,451
25 FLORIDA	36.5	30.1	26.0	6.4	1.0	2,845,807

ALL NOTES AND FOOTNOTES ARE ON PAGE 122

TABLE 20 (CONTINUED)

STATE AND REGION	UNDER \$5,000	\$5,000- 9,999	\$10,000- 19,999	\$20,000- 49,999	\$50,000 OR MORE	NUMBER OF RETURNS
SEED STATES (CONTINUED)						
26 GEORGIA	38.9	27.5	26.7	6.1	0.7	1,658,777
27 KENTUCKY	36.4	31.3	27.1	4.7	0.5	1,091,521
28 LOUISIANA	36.6	31.1	26.4	5.2	0.7	1,132,125
29 MARYLAND	30.3	26.6	30.5	11.7	0.8	1,609,385
30 MISSISSIPPI	41.2	32.2	21.9	4.1	0.6	651,364
31 NORTH CAROLINA	39.0	30.4	25.5	4.5	0.6	1,885,743
32 SOUTH CAROLINA	39.4	30.6	25.3	4.2	0.5	914,376
33 TENNESSEE	40.4	30.3	24.0	4.7	0.7	1,411,408
34 TEXAS	40.2	26.2	26.4	6.3	0.8	4,051,565
35 VIRGINIA	35.5	27.3	27.6	8.9	0.6	1,797,097
36 WEST VIRGINIA	34.9	31.1	29.6	4.0	0.5	585,919
MOUNTAIN STATES	39.0	26.7	27.6	6.1	0.6	4,276,924
37 ARIZONA	36.6	27.3	28.5	6.8	0.8	746,728
38 COLORADO	40.0	22.9	28.8	7.6	0.7	966,646
39 IDAHO	39.6	29.6	26.0	4.4	0.4	270,059
40 MONTANA	37.9	30.5	26.9	4.4	0.3	266,597
41 NEVADA	36.3	24.7	30.3	7.8	0.9	231,111
42 NEW MEXICO	44.4	26.2	23.8	5.3	0.4	171,130
43 OKLAHOMA	38.5	30.0	25.7	5.2	0.6	904,476
44 UTAH	38.1	25.1	30.5	5.7	0.5	390,394
45 WYOMING	40.0	24.1	30.1	5.4	0.5	129,783
PACIFIC STATES	33.9	26.1	30.6	8.7	0.8	10,538,525
46 ALASKA	30.7	18.9	32.1	17.6	0.7	107,084
47 CALIFORNIA	33.6	26.0	30.5	9.1	0.8	7,952,251
48 HAWAII	36.7	23.5	28.5	10.6	0.8	318,023
49 OREGON	36.7	26.5	30.3	5.9	0.6	853,424
50 WASHINGTON	33.3	27.5	31.8	7.0	0.5	1,307,743
DISTRICT OF COLUMBIA	31.6	35.1	24.2	8.0	1.2	283,100
ALL STATES INCLUDING DISTRICT OF COLUMBIA	34.7	27.3	29.9	7.4	0.8	77,127,264

TABLE 21

STATE AND LOCAL TAX CAPACITY AND CAPACITY UTILIZATION, PER CAPITA
AND PER \$1000 OF PERSONAL INCOME, FOR STATES, REGIONS,
AND THE UNITED STATES, 1976

STATE AND REGION	ACTUAL COLLECTIONS (1,000)	NET UNUTILIZED CAPACITY (1,000)	TAX CAPACITY (COLS. 1+2) (1,000)
NEW ENGLAND STATES	\$ 9,906,347	\$ -499,844	\$ 9,406,502
1 CONNECTICUT	2,432,132	255,914	2,688,046
2 MAINE	718,510	-34,711	683,798
3 MASSACHUSETTS	5,243,794	-816,934	4,426,859
4 NEW HAMPSHIRE	495,327	98,338	593,665
5 RHODE ISLAND	661,713	38,919	700,658
6 VERMONT	354,815	-41,368	313,476
MIDDLE ATLANTIC STATES	\$ 35,060,070	\$ -3,735,286	\$ 31,324,783
7 DELAWARE	456,081	131,859	587,940
8 NEW JERSEY	5,826,038	413,133	6,239,171
9 NEW YORK	20,614,469	-5,859,788	14,754,680
10 PENNSYLVANIA	8,163,482	1,579,509	9,742,991
NORTH CENTRAL STATES	\$ 40,265,461	\$ 4,848,008	\$ 45,113,469
11 ILLINOIS	8,639,721	1,030,518	9,670,239
12 INDIANA	3,129,751	716,734	3,846,485
13 IOWA	2,058,843	180,676	2,239,519
14 KANSAS	1,543,636	296,581	1,840,217
15 MICHIGAN	6,893,239	558,078	7,451,317
16 MINNESOTA	3,277,688	-310,681	2,967,006
17 MISSOURI	2,743,099	672,943	3,416,042
18 NEBRASKA	1,089,419	121,977	1,211,396
19 NORTH DAKOTA	430,976	45,805	476,781
20 OHIO	6,380,072	1,815,250	8,195,322
21 SOUTH DAKOTA	416,240	23,015	439,255
22 WISCONSIN	3,662,777	-302,886	3,359,890
SOUTH STATES	\$ 37,325,045	\$ 8,808,712	\$ 46,137,757
23 ALABAMA	1,718,596	614,842	2,333,438
24 ARKANSAS	972,363	350,421	1,322,784
25 FLORIDA	4,871,407	1,362,301	6,233,708

ALL NOTES AND FOOTNOTES ARE ON PAGE 123

TABLE 21 (CONTINUED)

STATE AND REGION	ACTUAL COLLECTIONS (1,000)	NET UNUTILIZED CAPACITY (1,000)	TAX CAPACITY (COLS. 1+2) (1,000)
SEEB STATES (CONTINUED)			
26 GEORGIA	2,762,907	555,026	3,317,933
27 KENTUCKY	1,893,335	418,311	2,311,646
28 LOUISIANA	2,364,276	495,516	2,859,792
29 MARYLAND	3,374,204	43,972	3,418,176
30 MISSISSIPPI	1,165,479	153,408	1,318,887
31 NORTH CAROLINA	2,944,351	431,874	3,376,225
32 SOUTH CAROLINA	1,424,585	313,870	1,738,455
33 TENNESSEE	2,188,215	608,592	2,796,807
34 TEXAS	7,433,273	2,364,278	9,797,551
35 VIRGINIA	3,137,124	688,914	3,826,038
36 WEST VIRGINIA	1,078,930	207,387	1,286,317
MOUNTAIN STATES	\$ 8,479,845	\$ 926,447	\$ 9,406,292
37 ARIZONA	1,726,605	-101,899	1,624,705
38 COLORADO	1,908,444	136,159	2,044,603
39 IDAHO	503,723	82,988	586,711
40 MONTANA	542,472	19,403	561,875
41 NEVADA	504,421	68,207	572,628
42 NEW MEXICO	701,571	119,689	821,260
43 OKLAHOMA	1,507,218	477,245	1,984,463
44 UTAH	749,934	84,491	834,425
45 WYOMING	335,457	40,166	375,623
PACIFIC STATES	\$ 26,736,306	\$ -2,691,815	\$ 24,044,490
46 ALASKA	728,806	-280,956	447,849
47 CALIFORNIA	20,749,579	-2,580,543	18,169,035
48 HAWAII	834,698	-127,597	707,100
49 OREGON	1,689,493	80,166	1,769,659
50 WASHINGTON	2,733,730	197,117	2,930,847
DISTRICT OF COLUMBIA	\$ 648,640	\$ 50,901	\$ 699,541
ALL STATES INCLUDING DISTRICT OF COLUMBIA	\$ 158,425,714	\$ 7,707,121	\$ 166,132,835

TABLE 21 (CONTINUED)

STATE AND REGION	PERCENT OF CAPACITY UTILIZED	TAXES PER CAPITA		TAXES PER \$1,000 OF PERSONAL INCOME	
		CAPACITY	UTILIZED	CAPACITY	UTILIZED
NEW ENGLAND STATES	105.3	\$ 769.70	\$ 810.60	\$ 121.58	\$ 128.04
1 CONNECTICUT	90.5	862.38	780.28	120.63	109.14
2 MAINE	105.1	639.06	671.50	125.74	132.13
3 MASSACHUSETTS	118.5	762.07	902.70	120.34	142.55
4 NEW HAMPSHIRE	83.4	722.22	602.59	127.81	106.64
5 RHODE ISLAND	94.4	755.83	713.85	122.17	115.39
6 VERMONT	113.2	658.56	745.47	126.30	142.97
MIDDLE ATLANTIC STATES	111.9	\$ 827.30	\$ 925.95	\$ 124.14	\$ 138.94
7 DELAWARE	77.6	1,010.21	783.64	144.03	111.73
8 NEW JERSEY	93.4	850.49	794.17	121.87	113.80
9 NEW YORK	139.7	815.90	1,139.93	119.44	166.88
10 PENNSYLVANIA	83.8	821.36	688.20	132.51	111.03
NORTH CENTRAL STATES	89.1	\$ 781.33	\$ 697.37	\$ 123.32	\$ 110.07
11 ILLINOIS	89.1	861.18	769.41	121.13	108.22
12 INDIANA	81.4	725.48	590.30	121.21	98.63
13 IOWA	91.9	780.32	717.37	123.13	113.20
14 KANSAS	43.9	796.63	668.24	126.96	106.49
15 MICHIGAN	52.5	818.47	757.17	123.78	114.51
16 MINNESOTA	110.5	748.30	826.66	125.27	138.39
17 MISSOURI	80.1	714.95	574.11	124.14	99.69
18 NEBRASKA	89.9	780.04	701.49	124.39	112.40
19 NORTH DAKOTA	90.4	741.49	670.26	130.02	117.53
20 OHIO	77.9	766.63	596.83	124.56	96.97
21 SOUTH DAKOTA	94.8	640.31	606.76	129.84	123.04
22 WISCONSIN	109.0	728.98	794.70	121.53	132.48
SREB STATES	80.9	\$ 711.97	\$ 576.04	\$ 129.32	\$ 104.63
23 ALABAMA	73.7	636.68	468.92	130.73	96.29
24 ARKANSAS	73.5	627.21	461.05	127.37	93.63
25 FLORIDA	78.1	740.26	578.48	126.56	98.90

TABLE 21 (CONTINUED)

STATE AND REGION	PERCENT OF CAPACITY UTILIZED	TAXES PER CAPITA		TAXES PER \$1,000 OF PERSONAL INCOME	
		CAPACITY	UTILIZED	CAPACITY	UTILIZED
SEAB STATES (CONTINUED)					
26 GEORGIA	83.3	667.59	555.92	125.27	104.32
27 KENTUCKY	81.9	674.34	552.31	131.16	107.43
28 LOUISIANA	82.7	744.54	515.54	144.76	119.67
29 MARYLAND	98.7	824.85	814.24	122.67	121.10
30 MISSISSIPPI	88.4	560.27	495.11	128.78	113.81
31 NORTH CAROLINA	82.3	653.91	538.37	126.24	103.94
32 SOUTH CAROLINA	81.9	610.41	500.21	125.62	102.94
33 TENNESSEE	78.2	663.69	519.27	128.20	100.30
34 TEXAS	75.9	784.62	595.28	132.76	100.72
35 VIRGINIA	82.0	760.34	623.43	126.82	103.99
36 WEST VIRGINIA	83.9	706.38	592.49	137.28	115.15
MOUNTAIN STATES	90.2	\$ 746.59	\$ 673.06	\$ 132.21	\$ 119.19
37 ARIZONA	106.3	715.73	760.62	129.64	137.78
38 COLORADO	93.3	791.56	738.85	126.93	118.48
39 IDAHO	85.9	706.03	606.16	130.67	112.19
40 MONTANA	96.5	746.18	720.41	133.21	128.61
41 NEVADA	88.1	938.73	826.92	136.47	120.21
42 NEW MEXICO	85.4	703.13	600.66	141.38	120.77
43 OKLAHOMA	76.0	717.45	544.91	132.27	100.46
44 UTAH	89.9	679.50	610.70	131.68	118.34
45 WYOMING	89.3	963.13	860.15	153.07	136.70
PACIFIC STATES	111.2	\$ 836.91	\$ 930.61	\$ 123.98	\$ 137.86
46 ALASKA	155.8	1,224.74	1,907.87	126.93	197.72
47 CALIFORNIA	114.2	844.29	964.20	123.72	141.29
48 HAWAII	118.0	797.18	941.03	119.81	141.43
49 OREGON	95.5	759.84	725.42	126.24	120.52
50 WASHINGTON	93.3	811.42	756.85	124.82	116.43
DISTRICT OF COLUMBIA	92.7	\$ 996.50	\$ 923.99	\$ 120.03	\$ 111.30
ALL STATES INCLUDING DISTRICT OF COLUMBIA	95.4	\$ 773.94	\$ 738.04	\$ 125.55	\$ 119.73

TABLE 22
TOTAL TAX COLLECTIONS, STATE AND LOCAL GOVERNMENTS
FOR STATES, REGIONS, AND THE UNITED STATES, 1976
(IN THOUSANDS)

STATE AND REGION	STATE TAX REVENUE	LOCAL TAX REVENUE	TOTAL TAX REVENUE
NEW ENGLAND STATES	\$ 5,324,147	\$ 4,582,200	\$ 9,906,347
1 CONNECTICUT	1,263,832	1,168,300	2,432,132
2 MAINE	530,610	187,900	718,510
3 MASSACHUSETTS	2,727,594	2,516,200	5,243,794
4 NEW HAMPSHIRE	207,527	287,800	495,327
5 RHODE ISLAND	388,719	273,000	661,719
6 VERMONT	205,845	149,000	354,845
MIDDLE ATLANTIC STATES	\$ 17,609,170	\$ 17,450,900	\$ 35,060,070
7 DELAWARE	358,581	97,500	456,081
8 NEW JERSEY	2,292,438	3,533,600	5,826,038
9 NEW YORK	9,780,069	10,834,400	20,614,469
10 PENNSYLVANIA	5,178,082	2,985,400	8,163,482
NORTH CENTRAL STATES	\$ 23,077,361	\$ 17,188,100	\$ 40,265,461
11 ILLINOIS	4,782,921	3,856,800	8,639,721
12 INDIANA	1,915,551	1,214,200	3,129,751
13 IOWA	1,232,343	826,500	2,058,843
14 KANSAS	853,936	689,700	1,543,636
15 MICHIGAN	3,831,139	3,062,100	6,893,239
16 MINNESOTA	2,218,888	1,058,800	3,277,688
17 MISSOURI	1,443,799	1,299,300	2,743,099
18 NEBRASKA	489,419	600,000	1,089,419
19 NORTH DAKOTA	287,376	143,600	430,976
20 OHIO	3,408,772	2,971,300	6,380,072
21 SOUTH DAKOTA	192,140	224,100	416,240
22 WISCONSIN	2,421,077	1,241,700	3,662,777
SOUTH STATES	\$ 23,772,745	\$ 13,556,300	\$ 37,329,045
23 ALABAMA	1,244,096	474,500	1,718,596
24 ARKANSAS	725,063	247,300	972,363
25 FLORIDA	2,935,507	1,935,900	4,871,407

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TABLE 22 (CONTINUED)

STATE AND REGION	STATE TAX REVENUE	LOCAL TAX REVENUE	TOTAL TAX REVENUE
SEED STATES (CONTINUED)			
26 GEORGIA	1,676,007	1,086,900	2,762,907
27 KENTUCKY	1,403,795	489,600	1,893,395
28 LOUISIANA	1,655,576	708,700	2,364,276
29 MARYLAND	1,959,804	1,418,400	3,378,204
30 MISSISSIPPI	885,879	279,600	1,165,479
31 NORTH CAROLINA	2,059,951	884,400	2,944,351
32 SOUTH CAROLINA	1,042,485	382,100	1,424,585
33 TENNESSEE	1,273,215	915,000	2,188,215
34 TEXAS	4,214,273	3,219,000	7,433,273
35 VIRGINIA	1,853,124	1,284,000	3,137,124
36 WEST VIRGINIA	844,030	234,900	1,078,930
MOUNTAIN STATES	\$ 5,54,745	\$ 3,325,100	\$ 8,479,845
37 ARIZONA	1,017,705	708,900	1,726,605
38 COLORADO	964,444	944,000	1,908,444
39 IDAHO	337,423	166,300	503,723
40 MONTANA	285,172	257,300	542,472
41 NEVADA	293,921	210,500	504,421
42 NEW MEXICO	575,071	126,500	701,571
43 OKLAHOMA	1,000,218	507,000	1,507,218
44 UTAH	485,914	264,000	749,914
45 WYOMING	194,857	140,600	335,457
PACIFIC STATES	\$ 14,749,006	\$ 11,987,300	\$ 26,736,306
46 ALASKA	598,806	130,000	728,806
47 CALIFORNIA	10,761,179	9,988,400	20,749,579
48 HAWAII	639,198	195,500	834,698
49 OREGON	872,493	817,000	1,689,493
50 WASHINGTON	1,877,330	856,400	2,733,730
DISTRICT OF COLUMBIA	\$ 233,840	\$ 414,800	\$ 648,640
ALL STATES INCLUDING DISTRICT OF COLUMBIA	\$ 89,921,014	\$ 68,504,700	\$ 158,425,714

TABLE 22 (CONTINUED)

STATE AND REGION	STATE TAX REVENUE AS A PERCENTAGE OF TOTAL TAX REVENUE	PER CAPITA TOTAL TAX REVENUE	PER \$1,000 PERSONAL INCOME, TOTAL TAX REVENUE
NEW ENGLAND STATES	53.7	\$ 810.60	\$ 128.04
1 CONNECTICUT	52.0	780.28	109.14
2 MAINE	73.8	671.50	132.13
3 MASSACHUSETTS	52.0	902.70	142.55
4 NEW HAMPSHIRE	41.9	602.59	106.64
5 RHODE ISLAND	58.7	713.85	115.39
6 VERMONT	58.0	745.47	142.97
MIDDLE ATLANTIC STATES	50.2	\$ 925.95	\$ 138.94
7 DELAWARE	78.6	783.64	111.73
8 NEW JERSEY	39.3	794.17	113.80
9 NEW YORK	47.4	1,139.93	166.88
10 PENNSYLVANIA	63.4	688.20	111.03
NORTH CENTRAL STATES	57.3	\$ 697.37	\$ 110.07
11 ILLINOIS	55.4	769.41	108.22
12 INDIANA	61.2	590.30	98.63
13 IOWA	59.9	717.37	113.20
14 KANSAS	55.3	668.24	106.49
15 MICHIGAN	55.6	757.17	114.51
16 MINNESOTA	67.7	826.66	138.39
17 MISSOURI	52.6	570.11	99.69
18 NEBRASKA	44.9	701.49	112.40
19 NORTH DAKOTA	66.7	670.26	117.53
20 OHIO	53.4	596.83	96.97
21 SOUTH DAKOTA	46.2	606.76	123.04
22 WISCONSIN	66.1	794.70	132.48
SUREB STATES	63.7	\$ 576.04	\$ 104.63
23 ALABAMA	72.4	468.92	96.29
24 ARKANSAS	74.6	461.05	93.63
25 FLORIDA	60.3	578.48	98.90

TABLE 22 (CONTINUED)

STATE AND REGION	STATE TAX REVENUE AS A PERCENTAGE OF TOTAL TAX REVENUE	PER CAPITA TOTAL TAX REVENUE	PER \$1,000 PERSONAL INCOME, TOTAL TAX REVENUE
SEEB STATES (CONTINUED)			
26 GEORGIA	60.7	555.92	104.32
27 KENTUCKY	74.1	552.31	107.43
28 LOUISIANA	70.0	615.54	119.67
29 MARYLAND	58.1	814.24	121.10
30 MISSISSIPPI	76.0	495.11	113.81
31 NORTH CAROLINA	70.0	538.37	103.94
32 SOUTH CAROLINA	73.2	500.21	102.94
33 TENNESSEE	58.2	519.27	100.30
34 TEXAS	56.7	595.24	100.72
35 VIRGINIA	59.1	623.43	103.99
36 WEST VIRGINIA	78.2	592.49	115.15
MOUNTAIN STATES	60.8	\$ 673.06	\$ 119.19
37 ARIZONA	58.9	760.62	137.78
38 COLORADO	50.5	738.85	118.48
39 IDAHO	67.0	608.16	112.19
40 MONTANA	52.6	720.41	128.61
41 NEVADA	58.3	826.92	120.21
42 NEW MEXICO	82.0	600.66	120.77
43 OKLAHOMA	66.4	544.91	100.46
44 UTAH	64.8	610.70	118.34
45 WYOMING	58.1	860.15	136.70
PACIFIC STATES	55.2	\$ 930.61	\$ 137.86
46 ALASKA	82.2	1,907.87	197.72
47 CALIFORNIA	51.9	964.20	141.29
48 HAWAII	76.6	941.03	141.43
49 OREGON	51.6	725.42	120.52
50 WASHINGTON	68.7	756.85	116.43
DISTRICT OF COLUMBIA	36.1	\$ 923.99	\$ 111.30
ALL STATES INCLUDING DISTRICT OF COLUMBIA	56.8	\$ 738.04	\$ 119.73

TABLE 23
UTILIZATION OF STATE AND LOCAL TAX POTENTIAL,
SMB STATES, 1976

TYPE OF TAX	AMOUNT COLLECTED ABOVE YIELD COLLECTIBLE AT AVERAGE RATE	AMOUNT COLLECTED BELOW YIELD COLLECTIBLE AT AVERAGE RATE	NET AMOUNT COLLECTED ABOVE YIELD COLLECTIBLE AT AVERAGE RATE
GENERAL SALES AND GROSS RECEIPTS	\$ 971,447,000	\$ 723,870,000	\$ 187,577,000
SELECTIVE SALES AND GROSS RECEIPTS			
ALCOHOLIC BEVERAGES	373,995,000	62,775,000	311,220,000
TOBACCO PRODUCTS	169,136,000	166,856,000	2,480,000
INSURANCE	86,068,000	10,241,000	75,826,000
PUBLIC UTILITIES	561,051,000	175,103,000	385,948,000
OTHER	403,638,000	125,718,000	277,920,000
STATE DEATH AND GIFT	5,736,000	162,379,000	-156,642,000
GENERAL PROPERTY		5,183,294,000	-5,183,293,000
INDIVIDUAL INCOME	502,877,000	4,467,215,000	-3,964,337,000
CORPORATE INCOME	28,859,000	854,632,000	-825,772,000
STATE ALCOHOLIC BEVERAGE LICENSE	8,195,000	15,445,000	-7,249,000
MOTOR VEHICLE LICENSE	40,415,000	259,712,000	-219,296,000
MOTOR FUELS	304,736,000	126,068,000	178,668,000
SEVERANCE	195,191,000	266,122,000	129,068,000
TRANSFER	88,021,000	88,845,000	-823,000
TOTALS	\$ 3,879,565,000	\$ 12,688,277,000	

NET UNUTILIZED POTENTIAL (EXCESS
OF "BELOW AVERAGE" YIELDS OVER
"ABOVE AVERAGE" YIELDS)

+ \$ 8,808,712,110

ALL NOTES AND FOOTNOTES ARE ON PAGE 123

TABLE 24
UTILIZATION OF STATE AND LOCAL TAX POTENTIAL,
ALABAMA, 1976

TYPE OF TAX	AMOUNT COLLECTED ABOVE YIELD COLLECTIBLE AT AVERAGE RATE	AMOUNT COLLECTED BELOW YIELD COLLECTIBLE AT AVERAGE RATE
GENERAL SALES AND GROSS RECEIPTS	\$ 75,092,000	\$
SELECTIVE SALES AND GROSS RECEIPTS		
ALCOHOLIC BEVERAGES	48,147,000	
TOBACCO PRODUCTS	7,859,000	
INSURANCE	12,271,000	
PUBLIC UTILITIES	77,188,000	
G.S.R.		2,730,000
STATE DEATH AND GIFT		15,708,000
GENERAL PROPERTY		558,612,000
INDIVIDUAL INCOME		144,501,000
CORPORATE INCOME		46,971,000
STATE ALCOHOLIC BEVERAGE LICENSE	860,000	
MOOTOR VEHICLE LICENSE		37,755,000
MOOTOR FUELS	17,928,000	
SEVERANCE		23,936,000
TRANSFERS		3,973,000
TOTALS	\$ 239,342,000	\$ 854,185,000
NET UNUTILIZED POTENTIAL (EXCESS OF "BELOW AVERAGE" YIELDS OVER "ABOVE AVERAGE" YIELDS)		\$ 614,842,000

ALL NOTES AND FOOTNOTES ARE ON PAGE 123

TABLE 25
UTILIZATION OF STATE AND LOCAL TAX POTENTIAL,
ARKANSAS, 1976

TYPE OF TAX	AMOUNT COLLECTED ABOVE YIELD COLLECTIBLE AT AVERAGE RATE	AMOUNT COLLECTED BELOW YIELD COLLECTIBLE AT AVERAGE RATE
GENERAL SALES AND GROSS RECEIPTS	\$	\$ 15,863,000
SELECTIVE SALES AND GROSS RECEIPTS		
ALCOHOLIC BEVERAGES		2,175,000
TOBACCO PRODUCTS	16,148,000	
INSURANCE	1,255,000	
PUBLIC UTILITIES		12,518,000
OTHER		12,799,000
STATE DEATH AND GIFT		9,821,000
GENERAL PROPERTY		233,882,000
INDIVIDUAL INCOME		89,346,000
CORPORATE INCOME		6,220,000
STATE ALCOHOLIC BEVERAGE LICENSE		489,000
NOTOR VEHICLE LICENSE		1,964,000
NOTOR FUELS	29,755,000	
SEVERANCE		9,273,000
TRANSFER		3,228,000
TOTALS	\$ 47,158,000	\$ 397,579,000
NET UNUTILIZED POTENTIAL (EXCESS OF "BELOW AVERAGE" YIELDS OVER "ABOVE AVERAGE" YIELDS)		\$ 350,421,000

ALL NOTES AND FOOTNOTES ARE ON PAGE 123

TABLE 26
UTILIZATION OF STATE AND LOCAL TAX POTENTIAL,
FLORIDA, 1976

TYPE OF TAX	AMOUNT COLLECTED ABOVE YIELD COLLECTIBLE AT AVERAGE RATE	AMOUNT COLLECTED BELOW YIELD COLLECTIBLE AT AVERAGE RATE
GENERAL SALES AND GROSS RECEIPTS	\$ 36,518,000	\$
SELECTIVE SALES AND GROSS RECEIPTS		
ALCOHOLIC BEVERAGES	83,907,000	
TOBACCO PRODUCTS	49,303,000	
INSURANCE		9,070,000
PUBLIC UTILITIES	179,322,000	
OTHER		20,486,000
STATE DEATH AND GIFT		18,920,000
GENERAL PROPERTY		510,310,000
INDIVIDUAL INCOME		1,124,206,000
CORPORATE INCOME		115,292,000
STATE ALCOHOLIC BEVERAGE LICENSE	6,083,000	
MOTOR VEHICLE LICENSE	17,952,000	
MOTOR FUELS		11,704,000
SEVERANCE		2,429,000
TRANSFER	77,030,000	
TOTALS	\$ 450,115,000	\$ 1,812,417,000
NET UNUTILIZED POTENTIAL (EXCESS OF "BELOW AVERAGE" YIELDS OVER "ABOVE AVERAGE" YIELDS)		+\$ 1,362,301,000

ALL NOTES AND FOOTNOTES ARE ON PAGE 123

TABLE 27
UTILIZATION OF STATE AND LOCAL TAX POTENTIAL,
GEORGIA, 1976

TYPE OF TAX	AMOUNT COLLECTED ABOVE YIELD COLLECTIBLE AT AVERAGE RATE	AMOUNT COLLECTED BELOW YIELD COLLECTIBLE AT AVERAGE RATE
GENERAL SALES AND GROSS RECEIPTS	\$ 15,736,000	\$
SELECTIVE SALES AND GROSS RECEIPTS		
ALCOHOLIC BEVERAGES	70,498,000	
TOBACCO PRODUCTS	1,592,000	
INSURANCE	2,395,000	
PUBLIC UTILITIES		40,448,000
OTHER		22,937,000
STATE DEATH AND GIFT		24,748,000
GENERAL PROPERTY		256,643,000
INDIVIDUAL INCOME		191,346,000
CORPORATE INCOME		26,448,000
STATE ALCOHOLIC BEVERAGE LICENSE		2,451,000
NOTOR VEHICLE LICENSE		68,079,000
NOTOR FUELS	14,105,000	
SEVERANCE		17,393,000
TRANSFER		8,259,000
TOTALS	\$ 104,325,000	\$ 659,351,000
NET UNUTILIZED POTENTIAL (EXCESS OF "BELOW AVERAGE" YIELDS OVER "ABOVE AVERAGE" YIELDS)		\$ 535,026,000

ALL NOTES AND FOOTNOTES ARE ON PAGE 123

TABLE 28
UTILIZATION OF STATE AND LOCAL TAX POTENTIAL,
KENTUCKY, 1976

TYPE OF TAX	AMOUNT COLLECTED ABOVE YIELD COLLECTIBLE AT AVERAGE RATE	AMOUNT COLLECTED BELOW YIELD COLLECTIBLE AT AVERAGE RATE
GENERAL SALES AND GROSS RECEIPTS	\$	\$ 26,475,000
SELECTIVE SALES AND GROSS RECEIPTS		
ALCOHOLIC BEVERAGES		19,441,000
TOBACCO PRODUCTS		25,497,000
INSURANCE	21,261,000	
PUBLIC UTILITIES		16,407,000
OTHER	60,678,000	
STATE DEATH AND GIFT		3,923,000
GENERAL PROPERTY		400,202,000
INDIVIDUAL INCOME		15,016,000
CORPORATE INCOME	28,859,000	
STATE ALCOHOLIC BEVERAGE LICENSE		931,000
NOTOR VEHICLE LICENSE		24,674,000
NOTOR FUELS	30,798,000	
SEVERANCE		20,971,000
TRANSFER		6,370,000
TOTALS	\$ 141,557,000	\$ 559,908,000
NET UNUTILIZED POTENTIAL (EXCESS OF "BELOW AVERAGE" YIELDS OVER "ABOVE AVERAGE" YIELDS)	\$	418,311,000

ALL NOTES AND FOOTNOTES ARE ON PAGE 123

TABLE 29
UTILIZATION OF STATE AND LOCAL TAX POTENTIAL,
LOUISIANA, 1976

TYPE OF TAX	AMOUNT COLLECTED ABOVE YIELD COLLECTIBLE AT AVERAGE RATE	AMOUNT COLLECTED BELOW YIELD COLLECTIBLE AT AVERAGE RATE
GENERAL SALES AND GROSS RECEIPTS	\$ 222,806,000	\$
SELECTIVE SALES AND GROSS RECEIPTS		
ALCOHOLIC BEVERAGES	9,106,000	
TOBACCO PRODUCTS	2,488,000	
INSURANCE	10,893,000	
PUBLIC UTILITIES		23,833,000
OTHER		11,028,000
STATE DEATH AND GIFT		9,229,000
GENERAL PROPERTY		584,408,000
INDIVIDUAL INCOME		333,283,000
CORPORATE INCOME		30,999,000
STATE ALCOHOLIC BEVERAGE LICENSE		1,044,000
MOTOR VEHICLE LICENSE		35,589,000
MOTOR FUELS	22,459,000	
SEVERANCE	195,585,000	
TRANSFER		9,442,000
TOTALS	\$ 463,338,000	\$ 958,854,000
NET UNUTILIZED POTENTIAL (EXCESS OF "BELOW AVERAGE" YIELDS OVER "ABOVE AVERAGE" YIELDS)		\$ 495,516,000

ALL NOTES AND FOOTNOTES ARE ON PAGE 123

TABLE 30
UTILIZATION OF STATE AND LOCAL TAX POTENTIAL,
MARYLAND, 1976

TYPE OF TAX	AMOUNT COLLECTED ABOVE YIELD COLLECTIBLE AT AVERAGE RATE	AMOUNT COLLECTED BELOW YIELD COLLECTIBLE AT AVERAGE RATE
GENERAL SALES AND GROSS RECEIPTS	\$	\$ 269,406,000
SELECTIVE SALES AND GROSS RECEIPTS		
ALCOHOLIC BEVERAGES		27,188,000
TOBACCO PRODUCTS		21,098,000
INSURANCE		1,171,000
PUBLIC UTILITIES		24,948,000
OTHER	71,349,000	
STATE DEATH AND GIFT		16,583,000
GENERAL PROPERTY		208,424,000
INDIVIDUAL INCOME	502,877,000	
CORPORATE INCOME		58,217,000
STATE ALCOHOLIC BEVERAGE LICENSE		3,055,000
MOTOR VEHICLE LICENSE		5,819,000
MOTOR FUELS	22,929,000	
SEVERANCE		9,013,000
TRANSFER	3,786,000	
TOTALS	\$ 600,142,000	\$ 648,914,000
NET UNUTILIZED POTENTIAL (EXCESS OF "BELOW AVERAGE" YIELDS OVER "ABOVE AVERAGE" YIELDS)	+ \$	43,972,000

ALL NOTES AND FOOTNOTES ARE ON PAGE 123

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TABLE 31
UTILIZATION OF STATE AND LOCAL TAX POTENTIAL,
MISSISSIPPI, 1976

TYPE OF TAX	AMOUNT COLLECTED ABOVE YIELD COLLECTIBLE AT AVERAGE RATE	AMOUNT COLLECTED BELOW YIELD COLLECTIBLE AT AVERAGE RATE
GENERAL SALES AND GROSS RECEIPTS	\$ 171,679,000	\$
SELECTIVE SALES AND GROSS RECEIPTS		
ALCOHOLIC BEVERAGES	17,349,000	
TOBACCO PRODUCTS	3,054,000	
INSURANCE	7,523,000	
PUBLIC UTILITIES		22,610,000
OTHER		10,849,000
STATE DEATH AND GIFT		
GENERAL PROPERTY		7,297,000
INDIVIDUAL INCOME		183,152,000
CORPORATE INCOME		128,337,000
STATE ALCOHOLIC BEVERAGE LICENSE	588,000	20,424,000
MOTOR VEHICLE LICENSE		24,187,000
MOTOR FUELS	43,026,000	
SEVERANCE	5,125,000	
TRANSFER		4,895,000
TOTALS	\$ 248,344,000	\$ 401,752,000
NET UNUTILIZED POTENTIAL (EXCESS OF "BELOW AVERAGE" YIELDS OVER "ABOVE AVERAGE" YIELDS)	\$	153,408,000

ALL NOTES AND FOOTNOTES ARE ON PAGE 123

TABLE 32
UTILIZATION OF STATE AND LOCAL TAX POTENTIAL,
NORTH CAROLINA, 1976

TYPE OF TAX	AMOUNT COLLECTED ABOVE YIELD COLLECTIBLE AT AVERAGE RATE	AMOUNT COLLECTED BELOW YIELD COLLECTIBLE AT AVERAGE RATE
GENERAL SALES AND GROSS RECEIPTS	\$	\$ 108,211,000
SELECTIVE SALES AND GROSS RECEIPTS		
ALCOHOLIC BEVERAGES	28,832,000	
TOBACCO PRODUCTS		55,186,000
INSURANCE	12,318,000	
PUBLIC UTILITIES	87,498,000	
OTHER		17,602,000
STATE DEATH AND GIFT		2,719,000
GENERAL PROPERTY		508,309,000
INDIVIDUAL INCOME		41,784,000
CORPORATE INCOME		13,599,000
STATE ALCOHOLIC BEVERAGE LICENSE		2,838,000
MOTOR VEHICLE LICENSE		25,363,000
MOTOR FUELS	37,188,000	
SEVERANCE		8,559,000
TRANSFER		13,539,000
TOTALS	\$ 165,836,000	\$ 797,709,000
NET UNUTILIZED POTENTIAL (EXCESS OF "BELOW AVERAGE" YIELDS OVER "ABOVE AVERAGE" YIELDS)		\$ 631,874,000

ALL NOTES AND FOOTNOTES ARE ON PAGE 123

TABLE 33
UTILIZATION OF STATE AND LOCAL TAX POTENTIAL,
SOUTH CAROLINA, 1976

TYPE OF TAX	AMOUNT COLLECTED ABOVE YIELD COLLECTIBLE AT AVERAGE RATE	AMOUNT COLLECTED BELOW YIELD COLLECTIBLE AT AVERAGE RATE
GENERAL SALES AND GROSS RECEIPTS	\$ 30,505,000	\$
SELECTIVE SALES AND GROSS RECEIPTS		
ALCOHOLIC BEVERAGES	41,904,000	
TOBACCO PRODUCTS		14,030,000
INSURANCE	2,615,000	
PUBLIC UTILITIES		4,308,000
OTHER		5,870,000
STATE DEATH AND GIFT		7,597,000
GENERAL PROPERTY		266,462,000
INDIVIDUAL INCOME		71,339,000
CORPORATE INCOME		3,445,000
STATE ALCOHOLIC BEVERAGE LICENSES	568,000	
MOTOR VEHICLE LICENSE		31,005,000
MOTOR FUELS	20,841,000	
SEVERANCE		5,528,000
TRANSFER		721,000
TOTALS	\$ 96,434,000	\$ 410,304,000
NET UNUTILIZED POTENTIAL (EXCESS OF "BELOW AVERAGE" YIELDS OVER "ABOVE AVERAGE" YIELDS)		\$ 313,870,000

ALL NOTES AND FOOTNOTES ARE ON PAGE 123

TABLE 34
UTILIZATION OF STATE AND LOCAL TAX POTENTIAL,
TENNESSEE, 1976

TYPE OF TAX	AMOUNT COLLECTED ABOVE YIELD COLLECTIBLE AT AVERAGE RATE	AMOUNT COLLECTED BELOW YIELD COLLECTIBLE AT AVERAGE RATE
GENERAL SALES AND GROSS RECEIPTS	\$ 188,907,000	\$
SELECTIVE SALES AND GROSS RECEIPTS		
ALCOHOLIC BEVERAGES	29,892,000	
TOBACCO PRODUCTS	7,759,000	
INSURANCE	6,095,000	
PUBLIC UTILITIES	42,595,000	
OTHER		21,419,000
STATE DEATH AND GIFT	5,736,000	
GENERAL PROPERTY		394,082,000
INDIVIDUAL INCOME		475,812,000
CORPORATE INCOME		2,500,000
STATE ALCOHOLIC BEVERAGE LICENSE		1,714,000
NOTOR VEHICLE LICENSE	9,493,000	
NOTOR FUELS	9,839,000	
SEVERANCE		15,829,000
TRANSFER	2,450,000	
TOTALS	\$ 302,765,000	\$ 911,356,000
NET UNUTILIZED POTENTIAL (EXCESS OF "BELOW AVERAGE" YIELDS OVER "ABOVE AVERAGE" YIELDS)	+\$ 608,592,000	

ALL NOTES AND FOOTNOTES ARE ON PAGE 123

TABLE 35
UTILIZATION OF STATE AND LOCAL TAX POTENTIAL,
TEXAS, 1976

TYPE OF TAX	AMOUNT COLLECTED ABOVE YIELD COLLECTIBLE AT AVERAGE RATE	AMOUNT COLLECTED BELOW YIELD COLLECTIBLE AT AVERAGE RATE
GENERAL SALES AND GROSS RECEIPTS	\$	\$ 75,524,000
SELECTIVE SALES AND GROSS RECEIPTS		
ALCOHOLIC BEVERAGES		13,971,000
TOBACCO PRODUCTS	79,514,000	
INSURANCE	1,614,000	
PUBLIC UTILITIES	66,477,000	
OTHER	210,966,000	
STATE DEATH AND GIFT		26,832,000
GENERAL PROPERTY		517,206,000
INDIVIDUAL INCOME		1,684,483,000
CORPORATE INCOME		443,567,000
STATE ALCOHOLIC BEVERAGE LICENSE		835,000
MOTOR VEHICLE LICENSE		5,276,000
MOTOR FUELS		114,364,000
SEVERANCE		
TRANSFER	194,481,000	35,272,000
TOTALS		\$ 2,917,330,000
NET UNUTILIZED POTENTIAL (EXCESS OF "BELOW AVERAGE" YIELDS OVER "ABOVE AVERAGE" YIELDS)		\$ 2,364,278,000

ALL NOTES AND FOOTNOTES ARE ON PAGE 123

TABLE 36
UTILIZATION OF STATE AND LOCAL TAX POTENTIAL,
VIRGINIA, 1976

TYPE OF TAX	AMOUNT COLLECTED ABOVE YIELD COLLECTIBLE AT AVERAGE RATE	AMOUNT COLLECTED BELOW YIELD COLLECTIBLE AT AVERAGE RATE
GENERAL SALES AND GROSS RECEIPTS	\$	\$ 228,390,000
SELECTIVE SALES AND GROSS RECEIPTS		
ALCOHOLIC BEVERAGES	25,810,000	
TOBACCO PRODUCTS		51,050,000
INSURANCE	4,411,000	
PUBLIC UTILITIES	107,972,000	
OTHER	24,691,000	
STATE DEATH AND GIFT		16,021,000
GENERAL PROPERTY		430,914,000
INDIVIDUAL INCOME		74,000,000
CORPORATE INCOME		50,902,000
STATE ALCOHOLIC BEVERAGE LICENSE		2,089,000
MOTOR VEHICLE LICENSE	7,627,000	
MOTOR FUELS	37,059,000	
SEVERANCE		47,875,000
TRANSFER	4,755,000	
TOTALS	\$ 212,325,000	\$ 901,240,000
NET UNUTILIZED POTENTIAL (EXCESS OF "BELOW AVERAGE" YIELDS OVER "ABOVE AVERAGE" YIELDS)		\$ 688,914,000

ALL NOTES AND FOOTNOTES ARE ON PAGE 123

TABLE 37
UTILIZATION OF STATE AND LOCAL TAX POTENTIAL,
WEST VIRGINIA, 1976

TYPE OF TAX	AMOUNT COLLECTED ABOVE YIELD COLLECTIBLE AT AVERAGE RATE	AMOUNT COLLECTED BELOW YIELD COLLECTIBLE AT AVERAGE RATE
GENERAL SALES AND GROSS RECEIPTS	\$ 170,204,000	\$
SELECTIVE SALES AND GROSS RECEIPTS		
ALCOHOLIC BEVERAGES	18,551,000	
TOBACCO PRODUCTS	1,619,000	
INSURANCE	3,416,000	
PUBLIC UTILITIES		30,034,000
OTHER	35,954,000	
STATE DEATH AND GIFT		2,980,000
GENERAL PROPERTY		210,690,000
INDIVIDUAL INCOME		73,761,000
CORPORATE INCOME		36,050,000
STATE ALCOHOLIC BEVERAGE LICENSE	97,000	
MOTOR VEHICLE LICENSE	5,342,000	
MOTOR FUELS	18,808,000	
SEVERANCE		105,317,000
TRANSFER		2,547,000
TOTALS	\$ 253,991,000	\$ 461,379,000
NET UNUTILIZED POTENTIAL (EXCESS OF "BELOW AVERAGE" YIELDS OVER "ABOVE AVERAGE" YIELDS)		+\$ 207,387,000

ALL NOTES AND FOOTNOTES ARE ON PAGE 123

TABLE 38
AVERAGE TAX RATES*

<u>Tax Source</u>	<u>Table</u>	<u>1975</u>	<u>1976</u>
General Sales Taxes	1	\$ 24.83	\$ 24.72
Alcoholic Beverage Taxes	2	2.09	1.97
Tobacco Taxes	2	2.84	2.70
Insurance Taxes	2	1.47	1.49
Public Utility Taxes	2	3.60	3.73
Other Selective Sales Taxes	2	1.24	1.32
Death and Gift Taxes	3	1.20	1.16
Property Taxes	4	43.06	43.08
Personal Income Taxes	5	22.14	22.83
Corporation Income Taxes	5	6.03	6.01
Alcoholic Beverage License Taxes	6	0.12	0.12
Motor Vehicle License Taxes**	7	29.77	32.65
Motor Fuels Taxes**	8	62.61	65.27
Severance Taxes***	9	57.27	43.79
Transfer Taxes	10	0.48	0.48
ALL TAXES	11	\$119.58	\$119.73

*Dollars per \$1,000 of personal income unless otherwise designated.

**Based on the number of registered vehicles.

***Based on dollars per \$1,000 of severed products.

SOURCE: 1976 rates computed from data in Tables 1-11 of this report;
1975 data from Kenneth E. Quindry, State and Local Revenue Potential,
1975 (Atlanta: Southern Regional Education Board, 1976), p. 115.

NOTES AND SOURCES FOR TABLES

TABLE 1

The 27 states having local taxes in addition to state taxes are designated in Table L.

SOURCE: Population, U. S. Bureau of the Census, Census of Population, Current Population Reports, Series P25, No. 642, December 1976, Table 1; Personal Income, U. S. Bureau of the Census, Bureau of Economic Analysis, Survey of Current Business, April 1977, Table 1; Collection Data, U. S. Department of Commerce, Governmental Finances in 1975-76, Series GF76, No. 5, Tables 17 and 21; U. S. Department of Commerce, State Government Finances in 1976, Series GF76, No. 3, Tables 7 and 16; and U. S. Department of Commerce, Governments, unpublished data on selected local taxes.

TABLE 2

Contributions from state-owned liquor stores are included in taxes for 17 states. See designations on page 53. Net profits of municipally-owned liquor stores in Minnesota, North Carolina and South Dakota are not included.

SOURCE: See citation for Table 1.

TABLE 3

SOURCE: See citation for Table 1.

TABLE 4

SOURCE: See citation for Table 1.

TABLE 5

Local business net income taxes are included in the individual income tax columns. In computing the average rate, states not using a broad-based tax (Connecticut, New Hampshire and Tennessee) as well as states not using the tax were excluded. In addition to state taxes, 11 states reported revenue from local impositions. See page 49.

SOURCE: See citation for Table 1.

NOTES AND SOURCES FOR TABLES
(Continued)

TABLE 6

SOURCE: See citation for Table 1.

TABLE 7

Local motor vehicle license tax collections were reported in 28 states. See page 54.

SOURCE: See citations for Tables 1; and U. S. Federal Highway Administration, Tables ES-V, 1975.

TABLE 8

Data in Alabama, Arkansas, Hawaii, Illinois, Mississippi, Nevada and New York include local collections.

SOURCE: See citations for Tables 1 and 7.

TABLE 9

SOURCE: See citation for Table 1; U. S. Department of the Interior, Minerals Yearbook, 1974, Volume 1 (Washington: U. S. Government Printing Office, 1976), Table 4; U. S. Department of Commerce, Current Fishery Statistics, Fisheries of the United States, 1976, No. 7200 (Washington: U. S. Government Printing Office, April 1977), p. 4; and U. S. Bureau of the Census, Census of Agriculture, 1969, Volume II, General Report, Value of Products by Economic Class Contracts, Chapter 7, (Washington: U. S. Government Printing Office, 1975), Table 3.

TABLE 10

New York and Texas were excluded in the computation of the average rate.

Local realty transfer tax in city of Wilmington. Delaware is levied at a rate of 1 percent.

Local tax in New York City transfers of real property where consideration is over \$25,000.

Local taxes are authorized in Pennsylvania. Over 1,000 school districts and 850 other units impose this tax.

NOTES AND SOURCES FOR TABLES
(Continued)

Tax in Indiana is restricted to corporations subject to gross income tax.

A local tax is authorized in Ohio, South Carolina, West Virginia and California.

City of Baltimore, Maryland and specified counties are authorized to levy this tax.

Virginia counties and cities may levy a tax of one-third the state tax.

In Washington, a county tax is authorized and employed in all 39 counties on real estate at a 1 percent rate.

SOURCE: See citation for Table 1; and Advisory Commission on Intergovernmental Relations, State-Local Finances: Significant Features and Suggested Legislation, 1972 Edition (Washington: U. S. Government Printing Office, 1972), Table 112.

TABLE 11

SOURCE: See citation for Table 1; and Tables 1-10, this report.

TABLE 12

SOURCE: See Tables 1-10, this report.

TABLES 13-18

SOURCE: See Tables 1-11, this report.

TABLE 19

SOURCE: See citation for Table 1; and Henry J. Frank, "Measuring State Tax Burdens," National Tax Journal, Vol. XXI, June 1959, p. 183.

TABLE 20

SOURCE: Department of the Treasury, Internal Revenue Service Statistics of Income, Individual Income Tax Returns, 1972 (Washington: U. S. Government Printing Office, December 1974), Tables 5 and 6.

NOTES AND SOURCES FOR TABLES
(Continued)

TABLES 21-37

SOURCE: See citation for Tables 1, 7 and 9, this report.

TABLE 38

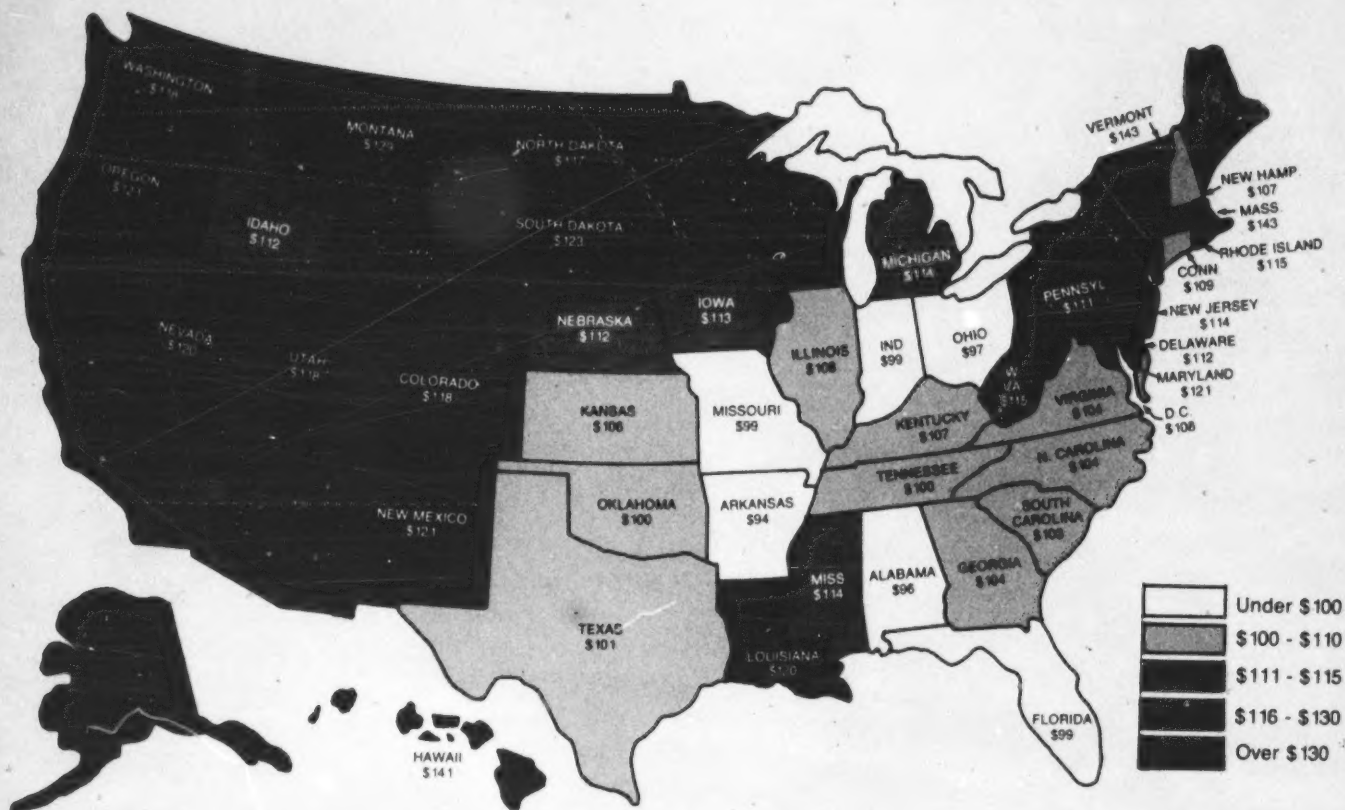
Computed from data in Tables 1-11.

MAP 1
STATE AND LOCAL PER CAPITA TAX EFFORT
IN FISCAL 1976



SOURCE: Table 22 of this report.

MAP 2
STATE AND LOCAL TAX EFFORT PER \$1,000 OF PERSONAL INCOME
IN FISCAL 1976



SOURCE: Table 22 of this report.